DOCUMENT RESUME

ED 218 287	TM 820 290

AUTHOR	Meeve, Brian, Ed.
TITLE	Commerce Library of Test Items. Volume One.
INSTITUTION	New South Wales Dept. of Education, Sydney (Australia).
REPORT NO	ISBN-0-7240-4466-3
PUB DATE	Jun 78
NOTE	155p.; The Library of Test Items series includes TM 820 287-302.
EDRS PRICE	MF01/PC07 Plus Postage.
DESCRIPTORS	*Consumer Education; Foreign Countries; *Item Banks; Money Management; Multiple Choice Tests; Secondary Education; Student Evaluation; *Test Construction
IDENTIFIERS	*Assessment Instruments; *Australia (New South Wales)

ABSTRACT

As one in a series of test item collections developed by the Assessment and Evaluation Unit of the Directorate of Studies, items of value from past tests are made available to teachers for the construction of unit tests, term examinations or as a basis for class discussion. Each collection was reviewed for content validity and reliability. The test items meet syllabus content and aims best suited to multiple choice questions, but teachers are meant to base the use of the test items on student ability and the particular program objectives. The first volume of commerce test items within business, consumer and finance sections cover such areas as business methods and activities, income earning, consumer protection, and personal, government and company financing. Test items are for grade 10 students. Answer keys and test construction guidelines are provided. Tables, diagrams and drawings illustrate many questions. (CM)

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ISBN 0-7240-4466-3

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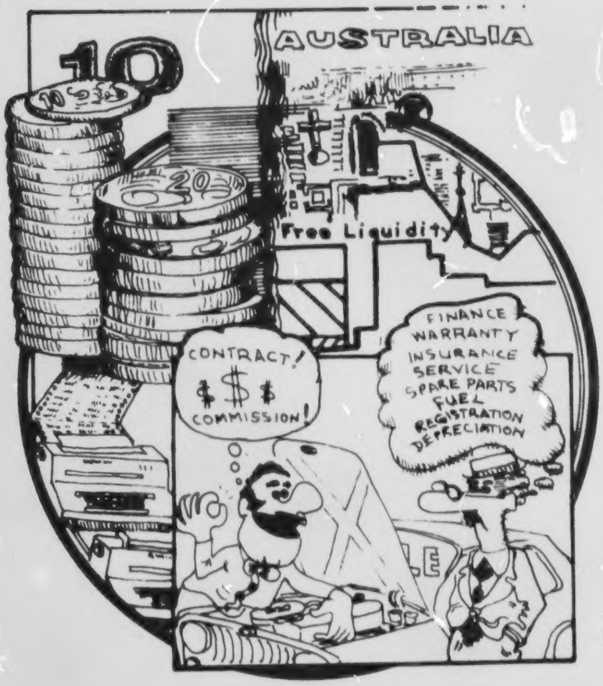
COMMERCE

LIBRARY OF TEST ITEMS



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VOLUME ONE

COMMERCE LIBRARY OF TEST ITEMS

CONTENTS

VOLUME I

(A) PREFACE

  (1) Introduction
  (2) Using the Library of Test Items
  (3) Practical Aspects of Test Preparation

(B) BUSINESS

(C) CONSUMERS

(D) FINANCE

VOLUME II

(E) GOVERNMENT

(F) LABOUR

(G) RECORDS

(H) TRADE

FIRST PRINTED JUNE 1978
REPRINTED JULY 1979

COMMERCE LIBRARY OF TEST ITEMS

PREFACE

(a) INTRODUCTION

This collection of multiple choice test items is intended as a resource to assist teachers to implement and evaluate courses in the junior secondary school.

Over a hundred teachers from both Government and non-Government schools have been involved in the project over the last two years. The questions constitute a cross-section of the ideas which currently pervade classroom practice.

To ensure quality in the collection, only those items which satisfied several quality control checks have been included. Foremost among these were:

(i) inspection by a panel of experienced, practising teachers;

(ii) a pretest with a representative selection of Year 10 students in eighty schools both Government and non-Government located in both city and country regions.

As well as sharing in the general editing and reviewing functions, the review panels checked each item for *content validity*. The pretest was used to establish the *efficiency* of the items as measuring instruments. Three of the major statistical criteria used were:

(i) Item Facility: The facility index measures the proportion of the sample candidature who answered the question correctly. All items in this collection have a facility index between .30 and .90.

(ii) Item Discrimination: This index measures the degree to which success on the item is correlated with success on the total test of which the item is a part. A commonly used index of discrimination is the point-biserial correlation coefficient. Every item in this collection attained a point-biserial correlation coefficient of at least 0.20. This means that on the pretest, each item added significantly to the total store of information about the relative achievement of the candidature.

(iii) Distractor Efficiency: Within each item, each distractor was chosen by at least 5% of the total candidature, except in the case of very easy items , where an even spread of respondents was sought.

For a test to be *reliable*, many features apart from these three must be considered. However, the proven quality of these items, as measured by these three criteria, makes it highly likely that any test chosen from this collection, and administered to *appropriate* classes, will be a more reliable instrument than teachers could normally produce without this assistance.

(f) USING THE COLLECTION

Items in this collection may be reproduced for classroom use in any form desired by the teacher. To facilitate the preparation of printing masters particular attention has been given to both the diagrams and the layout of the items.

To assist the teacher, the items have been classified according to the broad content areas of:

"B"	Business
"C"	Consumers
"F"	Finance
"G"	Government
"L"	Labour
"R"	Records
"T"	Trade

The keys (or correct option), are provided at the end of each section.

The order, groupings or sub-groupings of questions are not designed to reflect any suggested order of treatment but rather to facilitate the publishing of the questions. The numbers allocated to items are intended only to identify the items.

It will become evident that it has been impossible to locate all questions in small watertight compartments. Questions on a particular concept or area of content may be found in more than one area.

It is suggested that items might be used for the following purposes:

1. As a source of items for short unit tests.
2. As a source of items for term tests.
3. As a source of ideas for in-school item construction.
4. As a basis for class discussions (it should be noted that stimulus material was NOT designed for use with the overhead projector. The letter size used in typing items would not be legible at more than 4 metres from the screen in an average classroom).

It should be noted that some areas of syllabus content and some syllabus aims are better suited to testing with multiple choice items than others. Consequently, this collection is unlikely to be balanced in its coverage. In addition, the inclusion of an item is not intended to imply that a particular piece of content or teaching strategy has a place in the curriculum. The final selection must lie with the teacher in the classroom who knows the interests and abilities of his students and the aims and objectives of the programme.

The exclusive use of multiple choice items in this volume is aimed at providing a service for teachers in an area where many experience difficulty in test construction. This volume is not meant to encourage teachers to use multiple choice items alone. It is expected that teachers should give some thought to including a variety of test item forms (such as restricted free response, extended free response, matching form) in a testing situation.

(c) PRACTICAL ASPECTS OF TEST PREPARATION

Two copies, punched for ring-binding, are being sent to each school - one for cutting up to produce "printing masters", and another to be left intact as a master file. If the cut-up items are used carefully and stored suitably, they should be able to be used many times for making printing masters. (See "Preparation of Printing Masters"). It is suggested that large envelopes be bound into the ring-binder to store cut-up items.

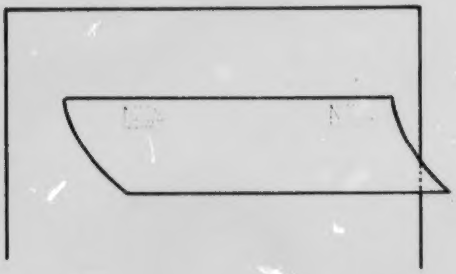
Preparation of Printing Masters

This method is recommended as it allows the prepared master to pass through a typewriter for the addition of page and question numbers etc., and prevents the electric scanner "reading" sticky tape patches and top edges of cut items.

1. Cut out items carefully. Always cut *very close to* and *below* the lines which separate questions.

2. Type your test heading on a blank page.

3. Fix question 1 in position, "stamp-hinge" style:



4. Slide the top edge on Q.2 under the bottom edge of Q.1, and position Q.2 correctly.

5. Holding Q.2 in position, lift the bottom edge of Q.1 and tape Q.2 in position, so that when Q.1 is allowed to sit flat again, it completely covers the tape used to hold Q.2. Q.2 should be fastened by its top edge only.

6. Stick Q.3 in place as described for Q.2 in (4) and (5) above.

7. Number all questions (gaps have been left in the instructions for a set of questions for the inclusion of your question numbers e.g. questions   to   (G93 to G96) are based on the graph below).

AKNOWLEDGEMENTS:

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Mr. **W.** Wilkie - East Hills Boys' High School

Comments and Criticisms

Comments and criticisms from teachers are welcome. All correspondence should be addressed to:

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Box 33 G.P.O.,
SYDNEY. N.S.W. 2001

BUSINESS

BUSINESS ACTIVITY B1 - B14
TYPES OF BUSINESS ORGANISATIONS B15 - B127
BUSINESS EXPANSION AND GROWTH B128 - B176
MODERN BUSINESS METHODS B177 - B216

BUSINESS

Question No.	Answer	Question No.	Answer
B1	3	B41	2
B2	1	B42	4
B3	2	B43	3
B4	4	B44	2
B5	3	B45	4
B6	3	B46	4
B7	1	B47	4
B8	4	B48	1
B9	2	B49	4
B10	3	B50	2
B11	1	B51	4
B12	3	B52	4
B13	2	B53	3
B14	4	B54	2
B15	1	B55	2
B16	3	B56	1
B17	3	B57	2
B18	3	B58	2
B19	4	B59	4
B20	3	B60	1
B21	3	B61	4
B22	4	B62	1
B23	4	B63	1
B24	4	B64	3
B25	4	B65	4
B26	1	B66	3
B27	2	B67	4
B28	2	B68	3
B29	2	B69	2
B30	4	B70	2
B31	3	B71	3
B32	3	B72	4
B33	1	B73	3
B34	2	B74	1
B35	2	B75	4
B36	2	B76	1
B37	3	B77	1
B38	1	B78	3
B39	2	B79	3
B40	1	B80	3

BUSINESS

Question No.	Answer	Question No.	Answer
B81	1	B121	2
B82	3	B122	3
B83	4	B123	3
B84	2	B124	2
B85	2	B125	1
B86	1	B126	4
B87	1	B127	4
B88	1	B128	3
B89	2	B129	2
B90	2	B130	1
B91	1	B131	1
B92	2	B132	2
B93	4	B133	1
B94	2	B134	2
B95	2	B135	4
B96	3	B136	4
B97	1	B137	1
B98	3	B138	4
B99	4	B139	4
B100	2	B140	4
B101	2	B141	2
B102	4	B142	3
B103	2	B143	2
B104	1	B144	2
B105	1	B145	2
B106	1	B146	3
B107	2	B147	2
B108	3	B148	1
B109	3	B149	4
B110	4	B150	4
B111	2	B151	3
B112	2	B152	1
B113	3	B153	2
B114	2	B154	3
B115	3	B155	1
B116	3	B156	1
B117	4	B157	2
B118	3	B158	2
B119	2	B159	1
B120	2	B160	2

BUSINESS

Question No.	Answer	Question No.	Answer
B161	1	B189	2
B162	3	B190	3
B163	2	B191	3
B164	4	B192	3
B165	3	B193	4
B166	4	B194	3
B167	2	B195	2
B168	2	B196	4
B169	1	B197	2
B170	4	B198	3
B171	3	B199	4
B172	3	B200	1
B173	4	B201	3
B174	2	B202	2
B175	4	B203	4
B176	2	B204	2
B177	2	B205	4
B178	1	B206	2
B179	1	B207	2
B180	1	B208	3
B181	1	B209	4
B182	3	B210	3
B183	1	B211	3
B184	3	B212	3
		B213	4
B186	2	B214	3
B187	4	B215	1
B188	4	B216	2

An employee is a person who

1. hires employees for their labour.
2. hires employers for their labour.
3. is hired by an employer for his labour.
4. is hired by an employee for his labour.

B1

A worker in a coal mine is engaged in

1. primary industry.
2. secondary industry.
3. tertiary industry.
4. manufacturing.

B2

The processing of raw materials into other products is

1. tertiary industry.
2. secondary industry.
3. retailing.
4. wholesaling.

B3

Local government employees belong to the

1. primary sector.
2. secondary sector.
3. manufacturing sector.
4. tertiary sector.

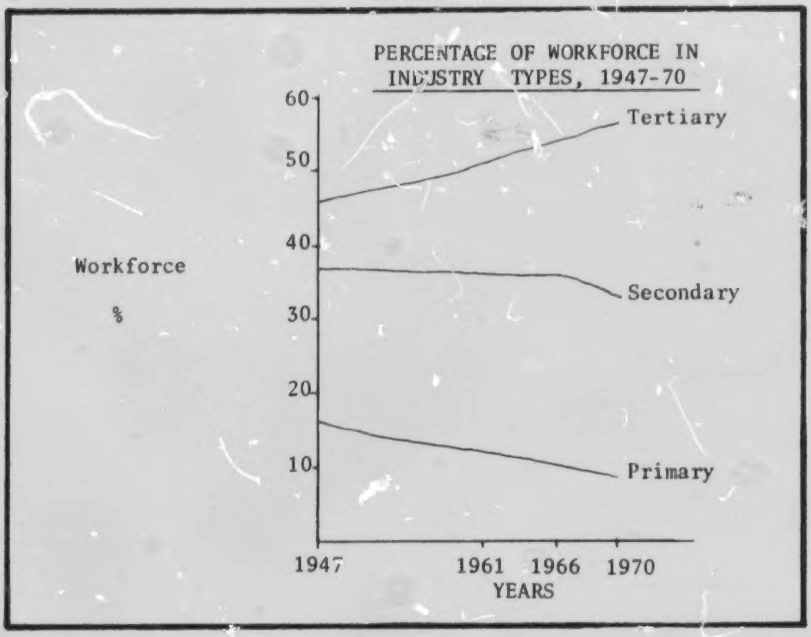
B4

Taxi drivers work in an industry classified as

1. primary.
2. secondary.
3. tertiary.
4. commercial.

B5

Questions to (B6-B8) refer to the graph below



In 1966 the total percentage of the workforce employed in both primary and secondary industry was approximately

1. 10%
2. 36%
3. 46%
4. 54%

B6

The growth in tertiary industries could result from an increase in the number of

1. service workers.
2. factory workers.
3. rural workers.
4. unskilled workers.

B7

An example of a consumer good is a

1. factory.
2. dairy cow.
3. bridge.
4. motor car.

B8

Questions to (B9-B11) refer to the stimulus material below.

WORKFORCE OF AREA "A" BY OCCUPATIONS.

OCCUPATION	PERSONS
Professional, Administration, Managerial etc	1,014
Clerical and Sales	2,104
Farmers, Fishermen, Timber etc.	2,762
Miners, Quarrying etc.	213
Transport and Communication	696
Craftsmen, Production Workers, Labourers	4,816
Services, Sport and Recreation	113
Members of Armed Forces	31
Registered Unemployed	1,007
TOTAL	12,756

The number of people engaged in primary industry is

1. 2,762
2. 2,975
3. 4,816
4. 4,866

B9

The description which best fits this area is

1. an inner city area.
2. an army base.
3. a large country town.
4. an industrial town.

B10

If the national employment rate is 4.0%, then unemployment in this area is

1. higher than average
2. lower than average.
3. equal to the average.
4. indeterminable.

B11

An example of a tertiary industry would be

1. furniture manufacturing.
2. oil exploration.
3. insurance.
4. fishing.

B12

The purpose of a capital good is to

1. increase employee's share of capital.
2. be used in the further production of goods.
3. decrease the supply of consumer goods.
4. directly satisfy consumer's wants.

B13

The main reason for the Government's desire to encourage decentralisation is to

1. move the workforce into the interior away from the coast.
2. lower transport costs.
3. increase land values in country areas.
4. more evenly distribute the nation's industries.

B14

A sole trader finds it hard to expand his business because he

1. is less able to raise additional capital.
2. has a restriction on the volume of sales.
3. is unable to give large discounts.
4. has too many debts.

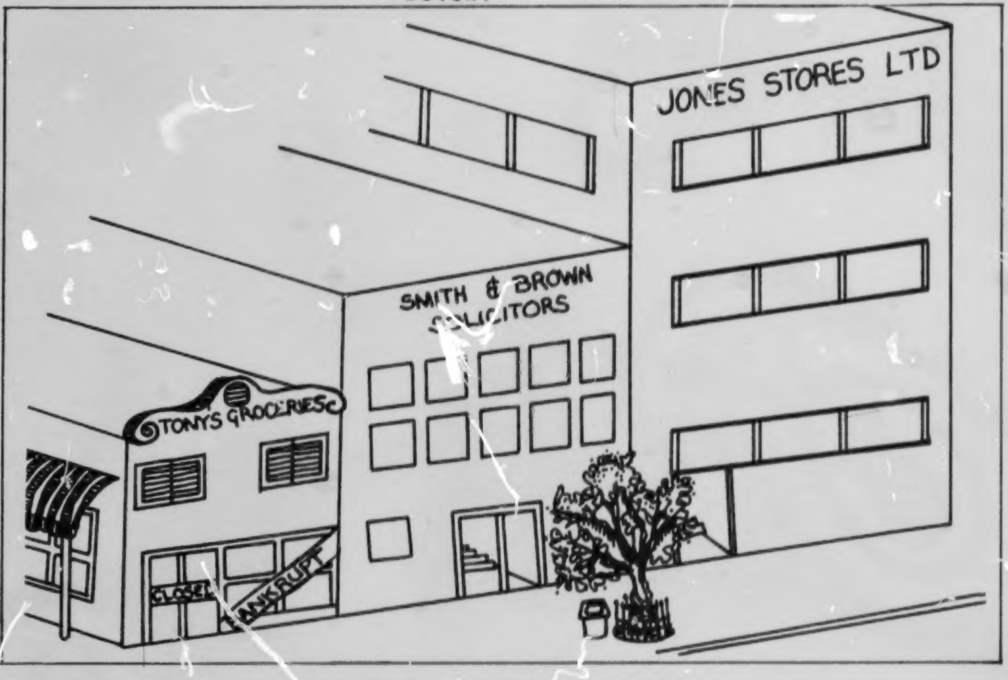
B15

Articles of Association of a firm set out

1. the objectives and organisation.
2. the number of companies it may own.
3. the rules governing the internal running of a firm.
4. its liability to members.

B16

Questions to (B17 to B19) refer to the diagram below.



The stores shown are representative of

1. primary industry.
2. secondary industry.
3. tertiary industry.
4. retail industry.

B17

The three types of business firms shown are likely to be examples of

1. sole-trader, private company and co-operative.
2. partnership, private company and co-operative.
3. partnership, sole-trader and public company.
4. private company , corporation and public company.

B18

Compared with the other two firms, Jones Stores Ltd.

1. earns more profit.
2. is less likely to go into liquidation.
3. would have fewer bad debts.
4. has an advantage of limited liability.

B19

Questions to (B20 to B22) are based on the information below.

> Expertly prepared
> **PLANS & SPECIFICATIONS**
> will reduce your building costs
> consult
> **McDONALD DRAFTING PTY LTD**
> 2 Burleigh street
> **BURWOOD**
> (established 19 years)
> New buildings, alterations
> extensions large or small
> Phone 749158 746286

McDonald Drafting Pty. Ltd. is most likely a

1. public company.
2. co-operative.
3. private company.
4. building society.

B20

The type of industry that can best describe McDonald Drafting Pty. Ltd. is

1. primary.
2. construction.
3. tertiary.
4. secondary.

B21

If you employed McDonald Drafting Pty. Ltd. you would most likely pay them a

1. wage.
2. commission.
3. salary.
4. fee.

B22

In a "no liability" company the

1. shareholders are not liable for a dividend.
2. company sells straight to the public.
3. shares of the company are guaranteed.
4. shareholders are not liable for unpaid **amounts** on the shares.

B23

Fairlight Publishing Ltd. is a

1. partnership.
2. private company.
3. sole trader.
4. public company

B24

A **public** company is one in which

1. there are from 2 to 50 shareholders.
2. liability of shareholders is unlimited.
3. the running of the company is in the hands of the shareholders.
4. shares may be listed on the stock exchange.

B25

The minimum number of members in a public company is

1. 5
2. 10
3. 25
4. 50

B26

A public company is organised in its day to day operations by the

1. board of directors.
2. general manager.
3. employees.
4. shareholders.

B27

The business organisation in which debts incurred by one owner are binding on the other owners is a

1. sole trader.
2. partnership.
3. public company.
4. no liability company.

B28

A company wishing to sell shares to the public must indicate this intention by means of

1. a public announcement.
2. a prospectus.
3. the Articles of Association.
4. a sequestration order.

B29

The annual dividend of a company has to be approved by the

1. shareholders.
2. employees.
3. managers.
4. board of directors.

B30

The Sydney Stock Exchange is a

1. government enterprise.
2. government authority.
3. market for listed company shares.
4. market for all company shares.

B31

Purchase of shares in B.H.P. must be made through

1. a Bank Manager.
2. a prospectus.
3. a stockbroker.
4. an underwriter.

B32

The type of business organisation that does not provide for limited liability is a

1. partnership.
2. private company.
3. public company .
4. producer's co-operative.

B33

An important feature of an ordinary partnership is

1. a maximum of twelve members.
2. it has unlimited liability.
3. its paid up capital must not exceed $100,000.
4. shares are sold on the stock exchange.

B34

SHARE DETAILS

Purchase Price	**$20**
Par Value	**$10**
Dividend	**6%**

The yield, calculated from the share details above, would be

1. 3%
2. 6%
3. 10%
4. 20%

B35

If shares are bought at a market price greater than their face value the yield would be

1. greater than the dividend.
2. less than the dividend.
3. equal to the dividend.
4. unable to be calculated.

B36

An example of gilt edge securities would be

1. secured notes.
2. preference shares.
3. Australian Savings Bonds.
4. debenture stock.

B37

Investors usually expect to earn the highest rate of interest on

1. debenture stock.
2. savings bank accounts.
3. building society deposits.
4. government bonds.

B38

The creditors who have first call upon the assets of a company are

1. ordinary shareholders.
2. debenture holders.
3. secured note holders.
4. unsecured note holders.

B39

If company profits increased by 100% in the current year, the creditors most likely to benefit are

1. ordinary shareholders.
2. debenture holders.
3. secured note holders.
4. unsecured note holders.

B40

If the demand for company shares is greater than the supply then the

1. face value will rise.
2. market value will rise.
3. face value will fall.
4. market value will fall.

B41

Investors who purchase debenture stock have

1. made a contribution to shareholders' funds.
2. the same rights as preference shareholders.
3. equal rights with ordinary shareholders in the event of liquidation.
4. to receive interest before shareholders receive dividends.

B42

The investment which makes you a creditor of a firm would be the purchase of its

1. shares.
2. bonds.
3. debentures.
4. assets.

B43

When a firm is liquidated the first person to be paid (from its assets) would be the holder of

1. notes.
2. debentures.
3. preference shares.
4. ordinary shares.

B44

When you put money into an organisation that purchases selected assets of its choice and pays you a fixed return you are investing in a

1. partnership.
2. government bond.
3. private company.
4. unit trust.

B45

The creditors who cannot expect a fixed rate of return on their investment are

1. debenture holders.
2. secured note holders.
3. unsecured note holders.
4. ordinary shareholders.

B46

Existing company owner's equity is reduced by the increased sale of

1. debentures.
2. unsecured notes.
3. secured notes.
4. shares.

B47

An increase in undistributed profits would directly

1. increase shareholders' funds in the business.
2. increase dividend payments to the shareholders.
3. decrease the paid up capital of the business.
4. decrease the reserves held by the business.

B48

A company can internally finance an expansion programme by

1. borrowing on unsecured notes.
2. the issue of debentures.
3. the use of bank loans.
4. the use of undistributed profits.

B49

The Chairman at the annual general meeting would most likely be

1. the company solicitor.
2. a director.
3. the firm's bank manager.
4. the company auditor.

B50

Questions 51-53 refer to the notice shown below.

NOTICE OF ANNUAL GENERAL MEETING

The Eleventh Annual General Meeting of the Queensland Teachers' Credit Union Limited will be held in the "Sir Charles Kingsford Smith" Room, Parkroyal Motor Inn, Cnr. Alice and Albert Streets, Brisbane, on Saturday, 25th September, 1976 at 6.30 p.m.

AGENDA

1. Adoption of Minutes of 1975 Annual General Meeting.
2. Apologies.
3. Receipt, Discussion and Adoption of -
   (a) Chairman's Report
   (b) Financial Statement and
   (c) Auditor's Report.
4. Election of -
   (a) Three Directors
   (b) Auditor
5. Closure.

The person most likely to receive notice of this meeting would be a

1. debtor.
2. creditor.
3. bondholder.
4. shareholder.

B51

The principal function of this Annual General Meeting is to

1. discuss day-to-day management of the credit union.
2. allow debenture holders to vote.
3. determine wages and salaries of employees.
4. report to shareholders on the activities of the credit union.

B52

People who vote at the annual general meeting of a Pty. Company are known as

1. secretaries.
2. partners.
3. shareholders.
4. creditors.

B53

Questions and (B55 and B56) refer to the table below.

SHARE DETAILS 1976

Co.	Price	High	Low	Yield
B.H.P.	8.42	9.26	6.70	3.6
C.S.R.	5.14	5.46	3.75	2.9
C.R.A.	3.25	3.60	2.35	2.3
Bank N.S.W.	5.80	7.00	5.56	4.8

The minimum price paid for Bank of N.S.W. shares in 1976 was

1. $4.80
2. $5.56
3. $5.80
4. $7.00

B55

If the price of B.H.P. shares remained unaltered, but the dividend rose, the yield would

1. increase.
2. decrease.
3. remain the same.
4. not be affected by the dividend.

B56

The manager of a firm is appointed by the

1. shareholders.
2. board of directors.
3. employees of the firm.
4. executive staff.

B57

A proxy is used at a company's annual general meeting when a

1. new shareholder is admitted.
2. shareholder cannot attend the meeting.
3. shareholder wishes to stand for election.
4. shareholder abstains from voting.

B58

Questions to (B59 to B63) refer to the diagram below.

SHARE MARKET PRICES

YEARS		DAYS					NO SOLD (100)	QUOTES	
HIGH	LOW	HIGH	LOW	SHARE		LAST SALE		BUY	SELL
$4.30	$2.25	$3.30	$3.30	Cooper	$2.00	$3.30	18	$3.25	$3.40
$3.50	$2.78	$3.35	$3.33	CRA	$3.33	$3.35	263	$3.34	$3.35
$2.80	$2.50	$2.70	$2.65	Cager	$2.00	$2.65	5	$2.63	$2.65
$2.50	$2.00	$2.50	$2.30	CMI	$1.00	$2.50	4	$2.20	-

The number of Cooper shares that changed hands were

1. 18
2. 325
3. 340
4. 1800

B59

The share with the largest fluctuation in prices for the year was

1. Cooper.
2. CRA.
3. CMI.
4. Cager.

B60

The highest price paid for Cager shares during the day was

1. $2.63
2. $2.65
3. $2.66
4. $2.70

B61

The par value or face value of CMI shares is

1. $1.00
2. $2.00
3. $2.20
4. $2.50

B62

If CMI shares are currently earning a dividend of 10% then the current yield is

1. 4%
2. 10%
3. 20%
4. 25%

B63

Questions and (B64 and B65) refer to the information below.

EXTRACT FROM LATEST STOCK EXCHANGE PRICES

Stock and Par Value	Yld %	Buyer	Seller	Last Sale
Lanroy 50¢	10.6	.49	.53	.52
Latec 50¢	-	8.50	-	9.00
Lawrence A 50¢	12.3	.63	-	.65
L Alum 50¢	11.3	.51	.55	.53
Lea Darl 50¢	7.4	1.02	1.05	1.02
Leighton 50¢	8.8	.66	.70	.68
Lempriere 50¢	9.7	.76	.78	.77
L Lease 50¢	5.1	2.42	2.50	2.45
L'worth 50¢	8.3	.90	-	.90
L'worth new 50¢	-	.90	-	-
Lewis G 50¢	4.4	.80	1.20	.91
L Savers 50¢	8.7	1.13	1.14	1.15
Lightburn 2.00	-	-	.89	.89
Lolorua 50¢	-	.13	-	.15
Long E 50¢	-	.24	.26	.24

During the trading period shown above no shareholders were offering to sell

1. Lend Lease shares.
2. Lightburn shares.
3. Latec shares.
4. Leighton shares.

B64

The heading of the column which indicates the face value of shares is

1. buyer.
2. seller.
3. last sale.
4. stock and par value.

B65

Questions to (B66 to B69) refer to the information below.

Cold storage group Woodmasons Ltd. has announced two shares issues amounting to $1.1 million. Directors said yesterday that the funds would be used to partly finance the purchase of land and erection of a high-rise cold store in Sydney. The two issues are a special allotment of 300 000 ordinary shares to Woodmasons' largest shareholder, John Swire and Sons Pty. Ltd. at $2.50 each, and a one-for-10 issue to other shareholders. The allotment will increase Swire's equity in Woodmasons from 35.8 per cent to 45.9 per cent. The one-for-10 issue, which will create a further 189 660 shares, will be offered to shareholders at $2 a share. Swire has also undertaken to lend Woodmasons $1 000 000 at a flat rate of interest of 10 per cent repayable over three years.

The allotment of shares to John Swire and Sons Pty. Ltd. will increase their shareholding in Woodmasons to

1. 10.1 per cent.
2. 35.8 per cent.
3. 45.9 per cent.
4. 81.7 per cent.

B66

The total number of shares issued by Woodmasons was

1. 110 340
2. 189 660
3. 300 000
4. 489 660

B67

The total amount of interest payable by Woodmasons to Swire and Sons Pty. Ltd. for the $1 million loan over the three years would be

1. $160 000
2. $200 000
3. $300 000
4. $600 000

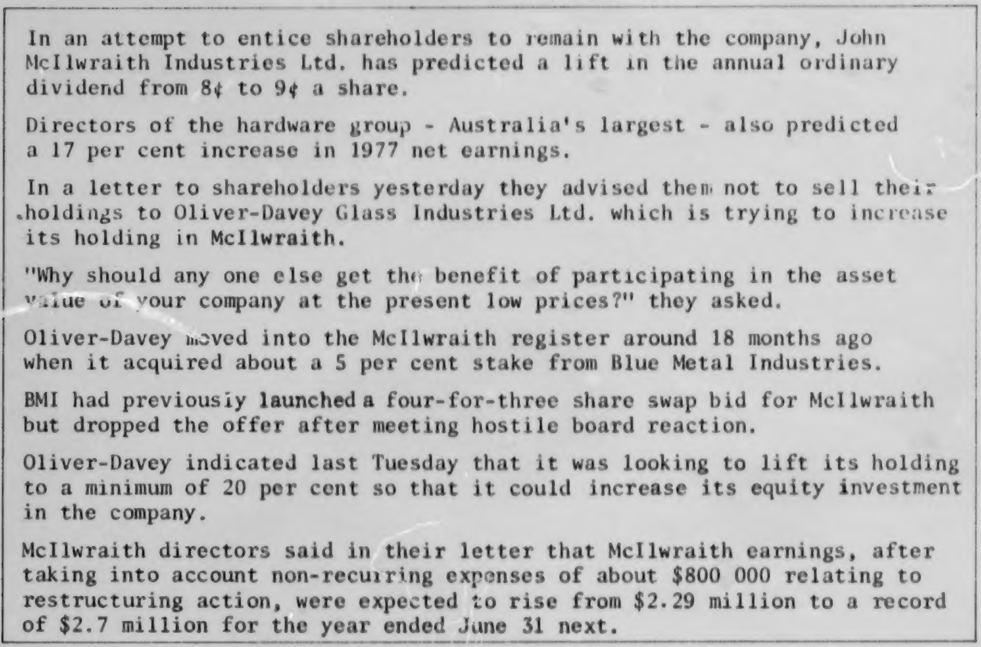
B68

Mr. Henry Lee presently holds 1000 Woodmasons Ltd. shares. This gives Mr. Lee the right to purchase

1. 10 shares.
2. 100 shares.
3. 1000 shares.
4. 10 000 shares.

B69

Questions to (B70 to B72) refer to the newspaper article below.



In an attempt to entice shareholders to remain with the company, John McIlwraith Industries Ltd. has predicted a lift in the annual ordinary dividend from 8¢ to 9¢ a share.

Directors of the hardware group - Australia's largest - also predicted a 17 per cent increase in 1977 net earnings.

In a letter to shareholders yesterday they advised them not to sell their holdings to Oliver-Davey Glass Industries Ltd. which is trying to increase its holding in McIlwraith.

"Why should any one else get the benefit of participating in the asset value of your company at the present low prices?" they asked.

Oliver-Davey moved into the McIlwraith register around 18 months ago when it acquired about a 5 per cent stake from Blue Metal Industries.

BMI had previously launched a four-for-three share swap bid for McIlwraith but dropped the offer after meeting hostile board reaction.

Oliver-Davey indicated last Tuesday that it was looking to lift its holding to a minimum of 20 per cent so that it could increase its equity investment in the company.

McIlwraith directors said in their letter that McIlwraith earnings, after taking into account non-recurring expenses of about $800 000 relating to restructuring action, were expected to rise from $2.29 million to a record of $2.7 million for the year ended June 31 next.

The return on McIlwraith shares is expected to be

1. 8¢
2. 9¢
3. 17%
4. 20%

B70

Oliver-Davey is seeking to acquire

1. 5% of BMI shares.
2. a four-for-three share swap.
3. 20% of McIlwraith shares.
4. BMI's shareholding in McIlwraith.

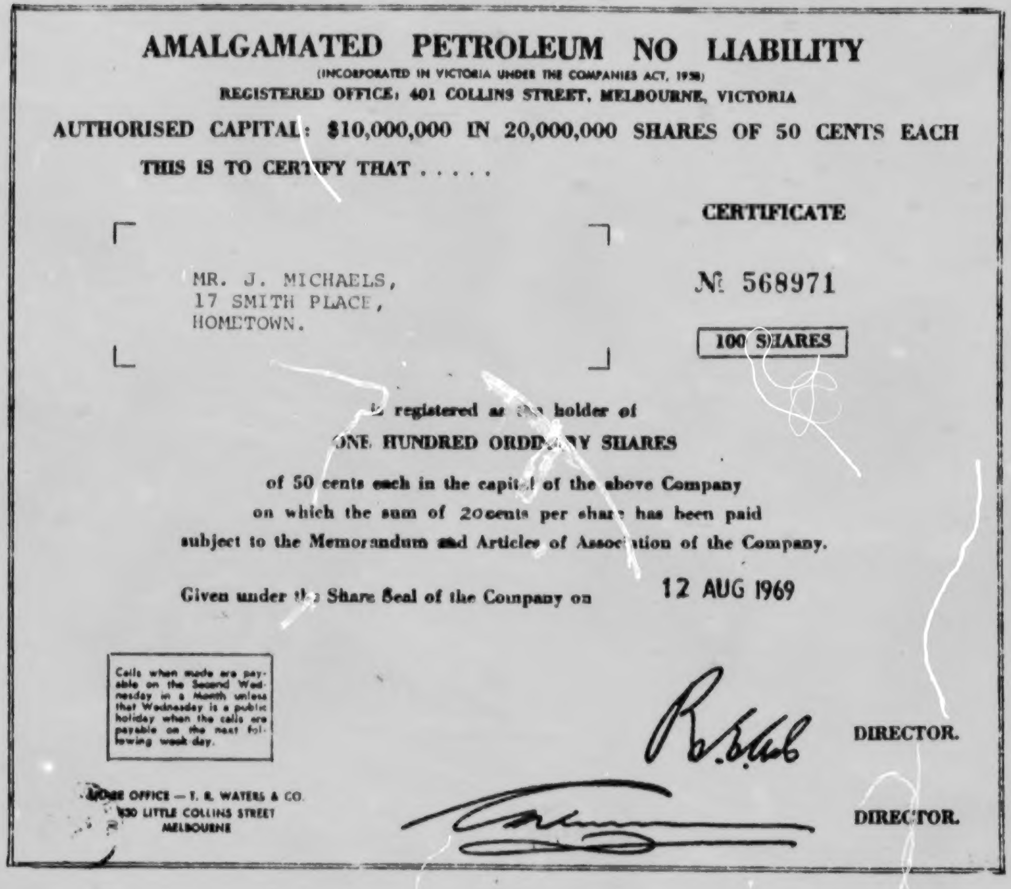
B71

McIlwraith's earnings were expected to be

1. 8¢ a share.
2. 9¢ a share.
3. $2.29m.
4. $2.7m

B72

Questions to (B73 to B75) refer to the Share Certificate below.



AMALGAMATED PETROLEUM NO LIABILITY

(INCORPORATED IN VICTORIA UNDER THE COMPANIES ACT, 1958)

REGISTERED OFFICE: 401 COLLINS STREET, MELBOURNE, VICTORIA

AUTHORISED CAPITAL: $10,000,000 IN 20,000,000 SHARES OF 50 CENTS EACH

THIS IS TO CERTIFY THAT . . . . .

CERTIFICATE

MR. J. MICHAELS,
17 SMITH PLACE,
HOMETOWN.

№ 568971

100 SHARES

is registered as the holder of

ONE HUNDRED ORDINARY SHARES

of 50 cents each in the capital of the above Company on which the sum of 20cents per share has been paid subject to the Memorandum and Articles of Association of the Company.

Given under the Share Seal of the Company on 12 AUG 1969

Calls when made are payable on the Second Wednesday in a Month unless that Wednesday is a public holiday when the calls are payable on the next following week day.

DIRECTOR.

DIRECTOR.

HOME OFFICE — T. R. WATERS & CO.
[illegible]30 LITTLE COLLINS STREET
MELBOURNE

No liability indicates the

1. company has no obligation to pay its debts.
2. company accepts no responsibility for its products.
3. shareholder does not have to pay additional money for the share.
4. shareholders are only liable for the amount of the share outstanding.

B73

The amount paid for the shares by the initial purchaser was

1. $20
2. $30
3. $50
4. $100

B74

The document indicates that Mr. J. Michaels is

1. a director of the Company.
2. an employee of the Company.
3. a creditor of the Company.
4. an owner of the Company.

B75

Questions and (B76) refers to the information below.

Company and Share	Last Sale	Buyer	Seller	Yield %
Grace Bros. 50¢	2.50	2.45	2.55	3.0

The par value of a Grace Bros. share is

1. $0.50
2. $2.45
3. $2.50
4. $2.55

B76

Preference shares are those which give the investor

1. a fixed rate of return.
2. the highest rate of return.
3. a variable rate of return.
4. no special rate of return.

B77

Questions to (B78 to B81) are based on the information below.

Pearson Bridge Holdings Ltd., a Sydney bridge construction group, is going public and seeking stock exchange listing.

The group is the first to do so this year, while only four joined the stock exchange lists last year.

Pearson is one of the principal bridge building contractors in Australia.

Contracts on hand include the new crossing of the Snowy River and its flood plain at Orbost, Victoria, and the widening of the Tasman Bridge in Hobart.

The company plans to raise $525 000 with an offer of 1.5 million 25¢ shares at a premium of 10¢ a share.

Present issued capital is $1 million.

Pearson expects to pay dividends of 4.5¢ a share each year.

Earnings for the 6 months to December 31 were a record at $638 665, compared with $310 157 for the full 1976 financial year and a loss of $79 183 in 1975.

Directors say in the prospectus that earnings calculations are based on present and historical results and do not guarantee their maintenance in the future years.

Underwriters to the issue are Jackson, Graham, Moore and Partners, members of the Sydney Stock Exchange

Pearson Bridge Holdings Ltd. is an example of a

1. sole trader.
2. partnership.
3. private company.
4. no liability company.

B78

The face value of the shares will be

1. 4.5¢
2. 10¢
3. 25¢
4. 35¢

B79

The expected rate of dividend is

1. 4.5 %
2. 10%
3. 18%
4. 25%

B80

The company will raise additional finance by

1. increasing ownership in the firm.
2. borrowing from its underwriters.
3. the sale of debentures.
4. the payment of a dividend.

B81

Questions to (B82 to B84) refer to the information below.

> OAKBRIDGE INVESTMENTS Ltd. may make a $1.8 million bid for the 51 per cent of Windsor Hotel Ltd.'s equity that it does not already own.
>
> Directors revealed yesterday that "discussions" were taking place which could lead to an offer of $2 cash per share for the 904 291 outstanding shares. Further details are expected next week.
>
> The price is finely pitched above last sales in the market place at $1.70 and compares with a 1977 high of $1.75 and low of $1.50.

Before the proposed takeover bid, Oakbridge's equity in Windsor Hotel Ltd. was

1. $1.8m.
2. 904 291 shares.
3. 49%
4. 51%

B82

The takeover offer for each Windsor share is likely to be

1. $1.50
2. $1.70
3. $1.75
4. $2.00

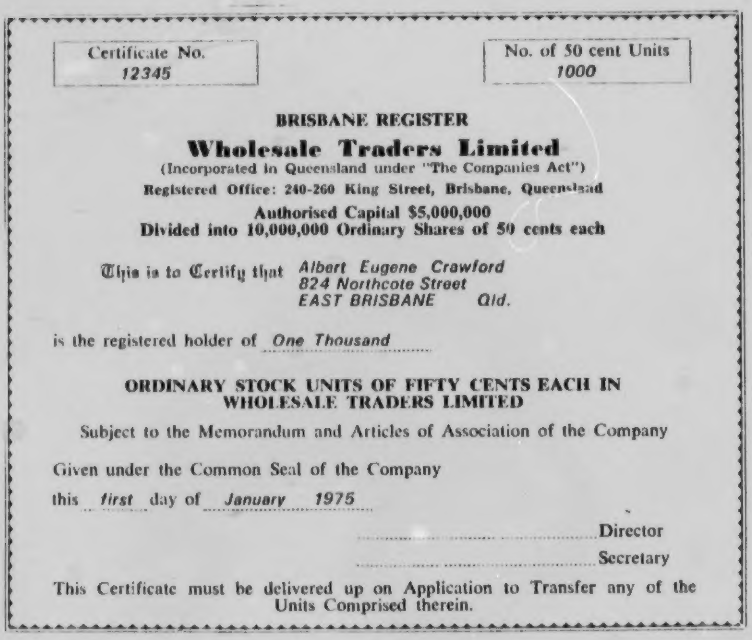
B83

The current market price of Windsor shares at the time of the bid was

1. $1.50
2. $1.70
3. $1.75
4. $2.00

B84

Questions to (B85 to B90) refer to the information below



Certificate No.
12345

No. of 50 cent Units
1000

BRISBANE REGISTER

Wholesale Traders Limited

(Incorporated in Queensland under "The Companies Act")

Registered Office: 240-260 King Street, Brisbane, Queensland

Authorised Capital $5,000,000
Divided into 10,000,000 Ordinary Shares of 50 cents each

This is to Certify that *Albert Eugene Crawford*
824 Northcote Street
EAST BRISBANE Qld.

is the registered holder of *One Thousand*

ORDINARY STOCK UNITS OF FIFTY CENTS EACH IN WHOLESALE TRADERS LIMITED

Subject to the Memorandum and Articles of Association of the Company

Given under the Common Seal of the Company

this *first* day of *January 1975*

....Director

....Secretary

This Certificate must be delivered up on Application to Transfer any of the Units Comprised therein.

The above document is a

1. share register.
2. share certificate.
3. Memorandum and Articles of Association.
4. certificate or incorporation.

B85

Albert Crawford's total investment in Wholesale Traders Limited is

1. $500
2. $1000
3. $5000
4. $50 000

B86

If Wholesale Traders Limited was to be wound up, the maximum loss A. Crawford could sustain would be

1. $500
2. $1000
3. $5000
4. $50 000

B87

If on liquidation there is only $2500 000 available for distribution to ordinary shareholders then A. Crawford would receive

1. $250
2. $500
3. $1000
4. $5000

B88

If the above shares cost Albert Crawford $800 and Wholesale Traders Limited declared a total dividend of 20% for the year ended June 1975, Albert Crawford's yield for the year ended June 30th, 1975, was

1. 10%
2. 12½%
3. 15%
4. 20%

B89

If Albert Crawford has only paid up 25 cents on each share then he is still liable for an additional payment per share of

1. nil.
2. 25 cents.
3. 50 cents.
4. 75 cents.

B90

Questions to (B91 to B96) refer to the information below.

Australian Consolidated Industries Ltd. is lifting its final dividend from 4¢ to 5¢ a share for the last 6 months of the year, after a 147 per cent earnings boost in the year to March 31, 1977.

Directors say they are complying with the recently introduced price freeze, since the dividend is the same as the interim payout for the first 6 months, which had also been lifted from a previous 4¢ a share to 5¢ a share.

Net profit jumped to $16.6 million, compared with $6 726 000 in the previous year .

The group had to take into account the full losses incurred by the Pacific Can subsidiary, following the purchase during the year of the 49 per cent equity previously held by Diawa Can Co. Ltd.

They blamed the losses, which were despite increased market penetration, on the over-capacity of can-making equipment in Australia, resulting in less-than-profitable price levels.

Particularly strong performances from many of the group's partly owned subsidiaries occurred.

Directors single out three of these as being among the most significant areas of improvement in Australia - Pilkington-ACI Ltd., A.V. Wehl Industries Ltd. and Australian Fibre Glass Pty. Ltd.

A relatively modest 26.3 per cent increase in gross revenue to $606.7 million indicates a big improvement in operating efficiency, but the directors point out that, allowing for inflation, real profits were significantly below $14.3 million in 1973-74.

The result excludes an extraordinary loss of $1 338 000 which the directors say includes the net costs associated with the closure to sheet glass and closures of operations in N.S.W. together with realised losses on foreign exchange transactions.

Partly offsetting these were profits on the disposal of land and equipment, and the part sale of the group's shareholding in a Fijian subsidiary of Alex Harvey Industries Ltd.

The parent company of Pacific Can Co. Ltd. is

1. ACI Ltd.
2. Pilkington-ACI Ltd.
3. Daiwa Can Co. Ltd.
4. A.V. Wehl Industries Ltd.

B91

Pacific Can Co.,Ltd. has incurred its losses because of the

1. company's increased share of the market.
2. excess supply of cans in Australia.
3. price freeze on cans.
4. increased dividend.

B92

The total dividend per share on Australian Consolidated Ltd. for the year was

1. 4¢
2. 5¢
3. 8¢
4. 10¢

B93

ACI's equity in Pacific Can is

1. 26.3%
2. 49%
3. 51%
4. 147%

B94

The increase in gross revenue was mainly due to the

1. closure of sheet glass operations.
2. change in operating efficiency.
3. allowance for inflation.
4. drop in real profits.

B95

ACI Ltd. has reduced its shareholding in

1. Pacific Can.
2. Daiwa Can.
3. Alex Harvey Industries Ltd.
4. Australian Fibre Glass Pty. Ltd.

B96

Questions to (B97 to B99) refer to the information shown below.

> News of an impending $27.7 million takeover for big Sydney car dealer Capitol Motors Ltd. set the Sydney sharemarket alight today.
>
> Midway through the morning session, Capitol Motors Chairman, Mr. Arnold Glass, told Sydney Stock Exchange that his company was holding discussions with "another party" concerning a takeover bid for all Capitol Motors shares at $4 cash each.
>
> Although there were not early trades in Capitol Motors shares, buyers were offering $3.50 for the stock - 70¢ above yesterday's closing price.
>
> Sellers at the same time, were asking $3.75.
>
> The potential bid, which places a value of $27.7 million on the company's 6.93 million 25¢ shares, is competitively priced.
>
> The price under negotiation is $1.05 above the previous best price for the shares in the market this year, and compares with a net tangible asset backing of $3.04 a share.

The face value of Capitol Motors Ltd. shares is

1. 25¢
2. $3.50
2. $3.75
4. $4.00

B97

The value of assets per share is

1. 25¢
2. $1.05
3. $3.04
4. $3.75

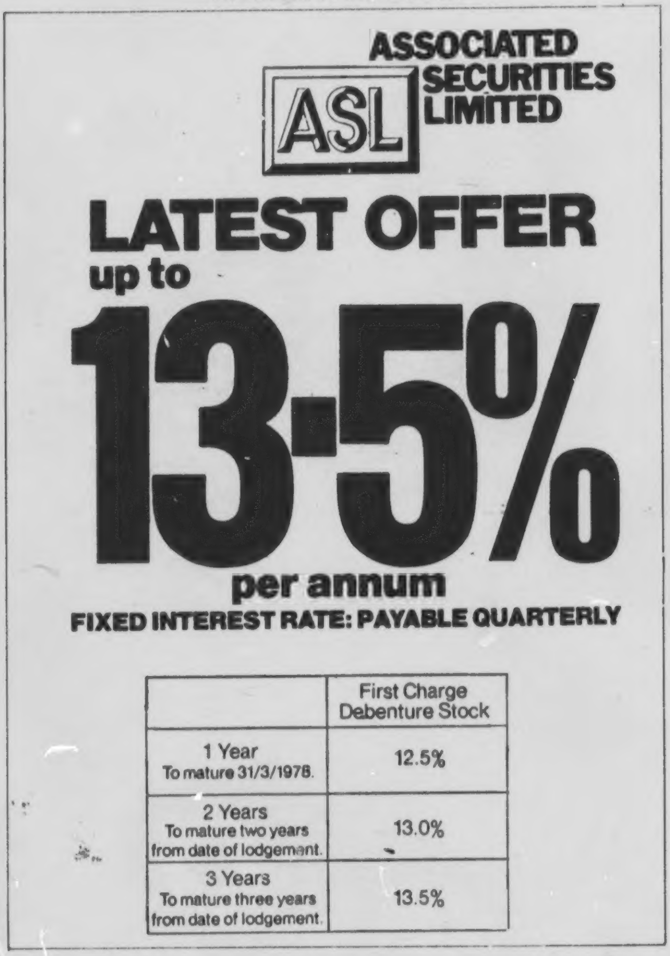
B98

The takeover bid for Capitol Motors Ltd. shares would cause their

1. face value to rise.
2. face value to fall.
3. market price to fall.
4. market price to rise.

B99

Questions to (B100 to B104) refer to the information below



ASSOCIATED SECURITIES LIMITED

ASL

LATEST OFFER up to 13·5% per annum

FIXED INTEREST RATE: PAYABLE QUARTERLY

	First Charge Debenture Stock
1 Year To mature 31/3/1978.	12.5%
2 Years To mature two years from date of lodgement.	13.0%
3 Years To mature three years from date of lodgement.	13.5%

An investment in ASL of $1000 over 1 year would yield interest of

1. $110
2. $125
3. $130
4. $135

B100

Interest payments are made at intervals of

1. 1 month.
2. 3 months.
3. 6 months.
4. 12 months.

B101

If ASL went into liquidation, debenture holders would be repaid

1. after ordinary shareholders.
2. after preference shareholders.
3. before wage earners (employees).
4. before secured note holders.

B102

A person seeking 13% return on an investment made on 31/3/77 would have to hold his debenture until

1. 31/3/78.
[✓ 2. 31/3/79.]
3. 31/3/80.
4. 31/3/81.

B103

A person wishing to make an investment would first have to

1. obtain a prospectus.
2. obtain an underwriter.
3. make a bank deposit.
4. lodge a holding deposit.

B104

Questions to (B105 to B109) refer to the information below.

> Troubled Melbourne Knitwear group, Crestknit Industries Ltd. today received a $3.6 million bid from the well-known but privately-owned Sportscraft Holding Pty. Ltd. a clothing maker and retailer.
>
> Sportscraft plans to offer 65¢ for each of Crestknit's 5.4 million ordinary 50¢ shares.
>
> In advising the Melbourne exchange of Sportscraft's plans Crestknit chairman, Mr. J.A. Brady, says his directors "support" the proposed offer, even though it is equal to only half Crestknit's asset backing of $1.30 a share.
>
> In the year to June 30 last Crestknit climbed out of the red with a profit of $322 000.
>
> Dividend was raised from 2.5¢ to 5¢ a share.
>
> The recent loss was accompanied by a very critical attack on the Government by Mr. Brady, and also plans to restructure activities.
>
> In addition to Crestknit's products, the group also produces the Aywon range of clothing.
>
> Mr. Brady also pointed out that staff would be cut back to 600 - "a far cry from the 2500 employed 2½ years previously".

Sportscraft's bid is to buy Crestknit's ordinary shares at a

1. premium of 15¢.
2. premium of 65¢.
3. discount of 15¢.
4. discount of 65¢.

B105

Sportscraft Pty. Ltd. is most likely an example of a

1. private company.
2. public company.
3. wholesaler.
4. primary producer.

B106

The Sportscraft bid is supported by

1. Crestknit's shareholders.
2. Crestknit's directors.
3. the Stock Exchange.
4. the Government.

B107

The Sportscraft bid is for

1. 3.6m ordinary shares.
2. 5.4m preference shares.
3. 65¢ on ordinary shares.
4. $1.30 on preference shares.

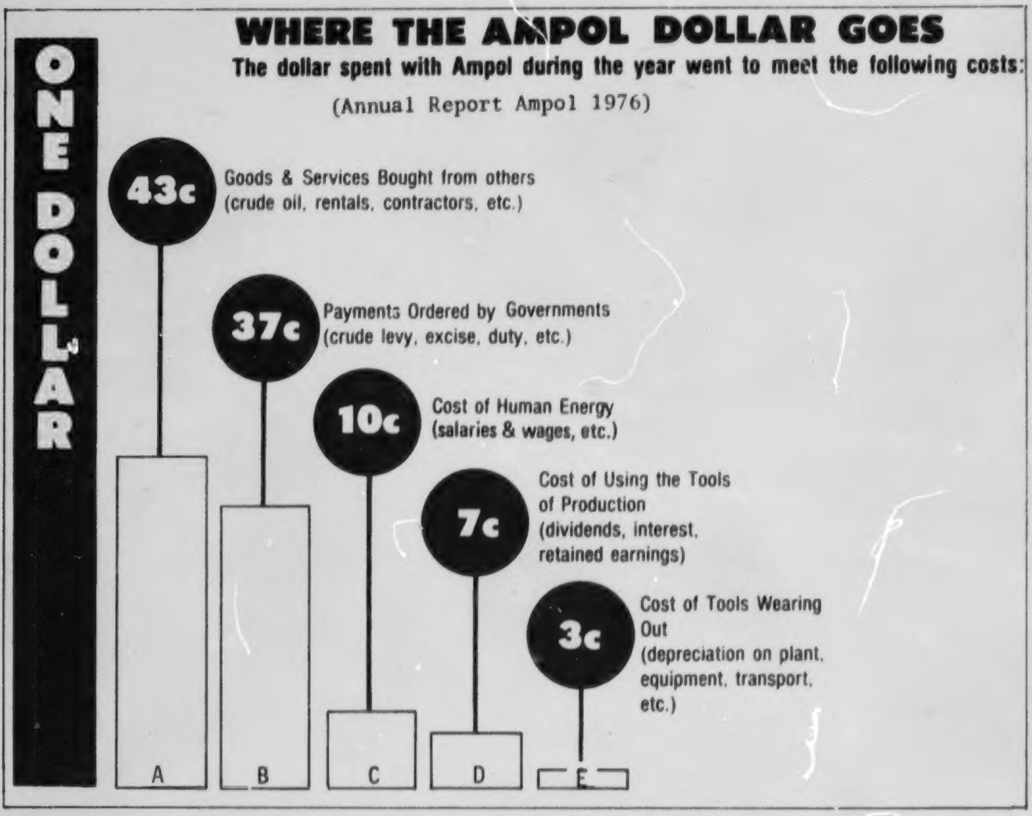
B108

The value of assets per share was

1. 50¢
2. 65¢
3. $1.30
4. $2.00

B109

Questions to (B110 to B112) refer to the diagram below.



WHERE THE AMPOL DOLLAR GOES

The dollar spent with Ampol during the year went to meet the following costs:

(Annual Report Ampol 1976)

The largest item of expenditure for Ampol is for

1. labour.
2. interest.
3. taxes.
4. raw materials.

B110

The category in which crude oil royalty payments would be included is

1. A.
2. B.
3. C.
4. D.

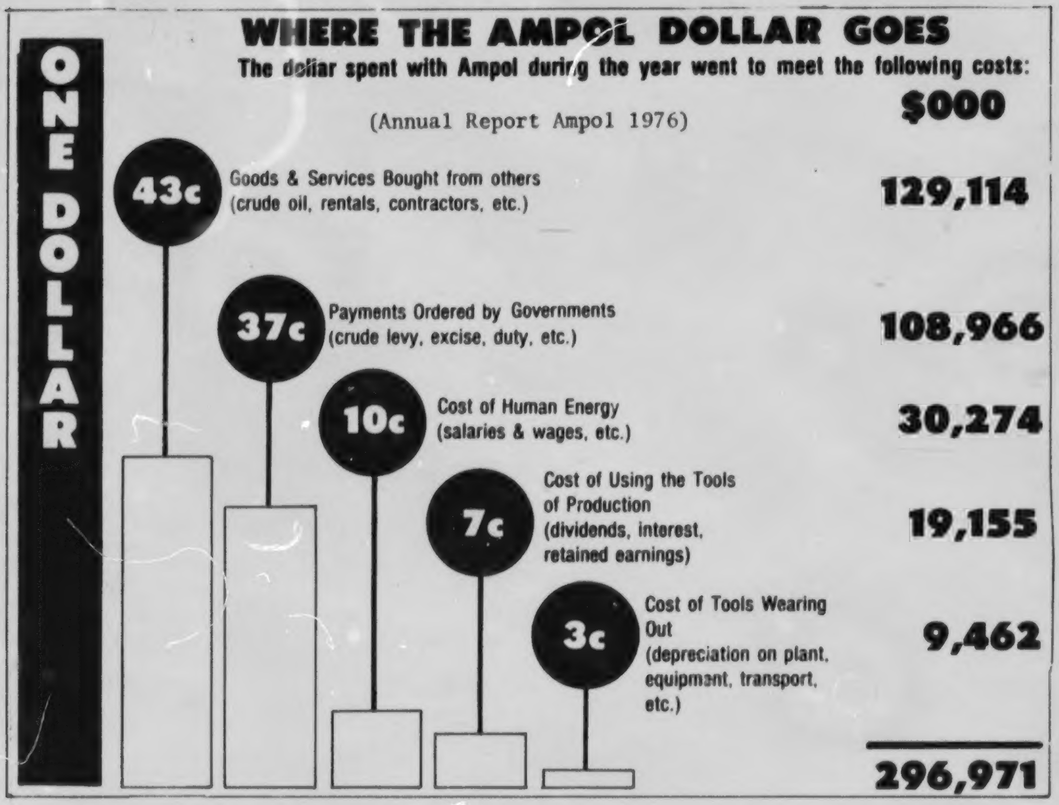
B111

Arbitration Commission awards would directly affect category

1. B.
2. C.
3. D.
4. E.

B112

Questions and (B113 and B114) refer to the chart below



Of Ampol's total costs for 1976, the purchase of goods and services, raw materials and labour accounted for

1. 10%
2. 43%
3. 53%
4. 69%

B113

Undistributed profits and payments to shareholders and interest to creditors amounts to

1. 3% of total costs.
2. 7% of total costs.
3. 10% of total costs.
4. 37% of total costs.

B114

The type of business organisation which undertakes the sale of its members' produce is a

1. public company.
2. consumer co-operative.
3. producer co-operative.
4. private company.

B115

In a co-operative, shareholders

1. have one vote for each share they own.
2. do not have a vote.
3. have one vote no matter how many shares they own.
4. need to purchase a minimum of 10 shares.

B116

Telecom Australia is an example of a

1. private company.
2. public company .
3. private authority.
4. public authority.

B117

The Rural Bank is an example of a

1. public company.
2. co-operative.
3. government enterprise.
4. private company.

B118

The sole trader has

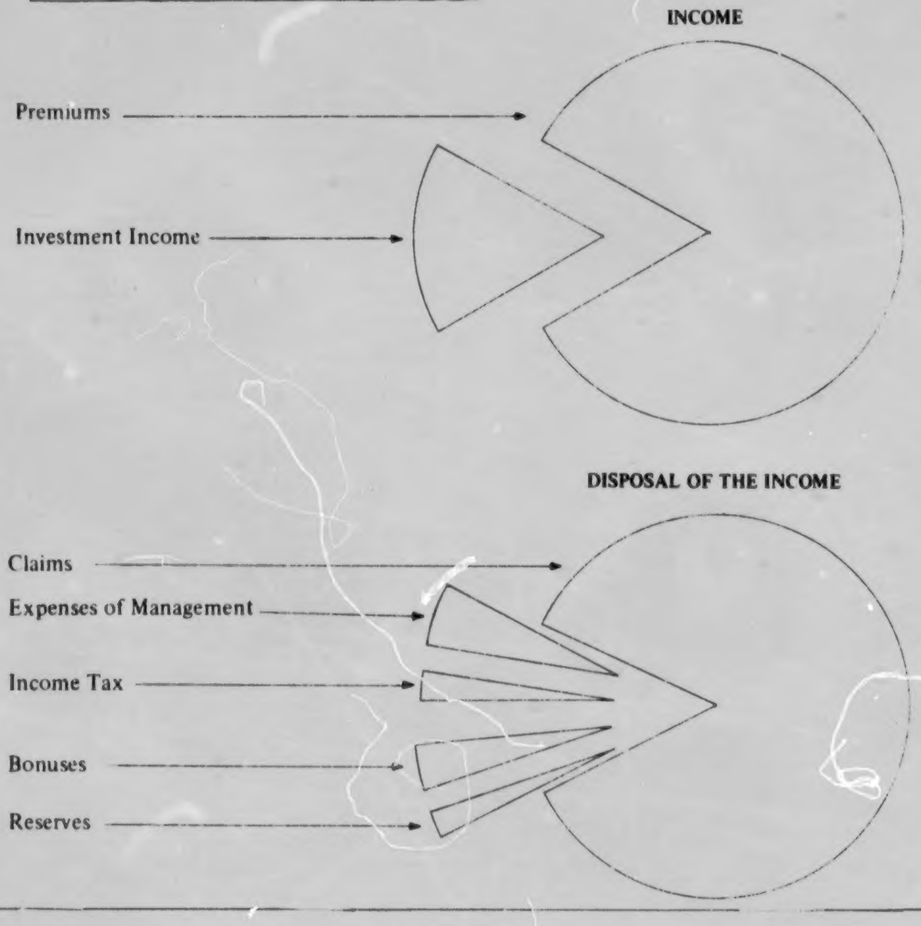
1. limited liability.
2. unlimited liability.
3. no liability.
4. restricted liability.

B119

Questions to (B120 to B122) refer to the stimulus material below.

NON-LIFE INSURANCE 1972-1973

G.I.O. ANNUAL REPORT 1972-1973



The above graphs indicate that in 1972-73

1. most of the income received was in claims by the company.
2. the firm earned more income from premiums than from investments.
3. the company allocated more funds to income tax than it did to bonuses.
4. the management had too many expenses.

B120

A premium is

1. the amount for which an item is insured.
2. the annual cost of insuring an item.
3. a type of insurance policy.
4. the surrender value of a policy.

B121

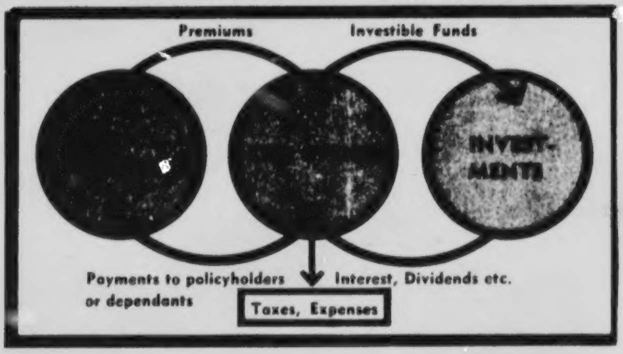
The basic principle on which insurance operates is that risk is

1. necessary.
2. maintained.
3. shared.
4. overcome.

B122

Questions to (B123 to B125) refer to the diagram below.

FLOW OF LIFE OFFICE FUNDS



Source: Life Officers Booklet "Safe and Sound".

The above diagram shows

1. direct use of investment funds by policy holders.
2. government investment in life offices.
3. life offices as financial intermediaries.
4. life offices as brokers.

B123

The direct result of a decrease in the flow of "Interest Dividends etc." would be a decrease in

1. life office expenses.
2. life office funds.
3. premium payments.
4. the number of policy holders.

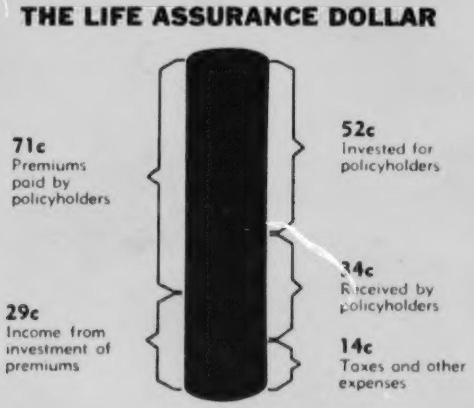
B124

The Articles of Association of a firm set out the

1. internal arrangement of a firm.
2. number of companies owned by a firm.
3. type of production of the firm.
4. list of shareholders.

B125

Questions and (B126 and B127) refer to the diagram shown below.



THE LIFE ASSURANCE DOLLAR
71c Premiums paid by policyholders
29c Income from investment of premiums
52c Invested for policyholders
34c Received by policyholders
14c Taxes and other expenses

Source: Life Officers Booklet "Safe and Sound".

Total income for life assurance companies is composed of

1. regular payments to and by policy holders.
2. premiums and sums of money invested.
3. investments, policy holders' receipts, taxes and other expenses.
4. receipts from policy holders and returns on investments.

B126

The percentage of life assurance funds invested is

1. 14%
2. 29%
3. 34%
4. 52%

B127

Questions to (B128 to B132) refer to the information below.

SIDDONS' $1.2m FOR EXPANSION

Siddons' Industries Ltd, the diversified manufacturer known for its Sidchrome handtools, has made a $1.2 million private placement of ordinary shares and debentures to finance expansion and for additional working capital.

The securities were placed with a limited number of institutional investors.

The placements consist of:

DEBENTURES - $500 000 at 11.75 per cent for four and five years.

SHARES - 780 000 ordinary 50¢ shares at 90¢ a share.

The shares will rank equally with existing shares and application will be made for stock exchange listing.

CAPITAL

Directors point out that the placement of ordinary shares represent an 8.7 per cent increase in the issued capital.

The issue is not subject to shareholders' approval.

PRIVATE ISSUES

The total number of ordinary shares on issue, following completion of the placement is 9 772 420.

Directors advise that it is their intention in the absence of abnormal circumstances to maintain the annual dividend rate of 18 per cent on the enlarged ordinary share capital.

The placements were arranged by Australian United Corporation and A.C. Goode and Co., members of the Stock Exchange of Melbourne.

Siddons' Industries Ltd. wishes to raise

1. $500 000
2. $780 000
3. $1 200 000
4. $9 722 420

B128

The rate of return for new lenders to Siddons' Industries Ltd. is

1. 8.7%
2. 11.75%
3. 18%
4. 50%

B129

New shares are being sold at a

1. premium of 40¢.
2. discount of 40¢.
3. premium of 50¢.
4. discount of 50¢.

B130

The increase in issued capital is

1. 8.7%
2. 11.75%
3. $1.2m.
4. $9.7m

B131

The decision to issue shares was made by

1. shareholders.
2. the directors.
3. Aust. United Corporation.
4. Siddons and the Stock Exchange.

B132

A source of finance for expansion by a business firm is not likely to be

1. a savings bank.
2. a trading bank.
3. an insurance company.
4. a finance company.

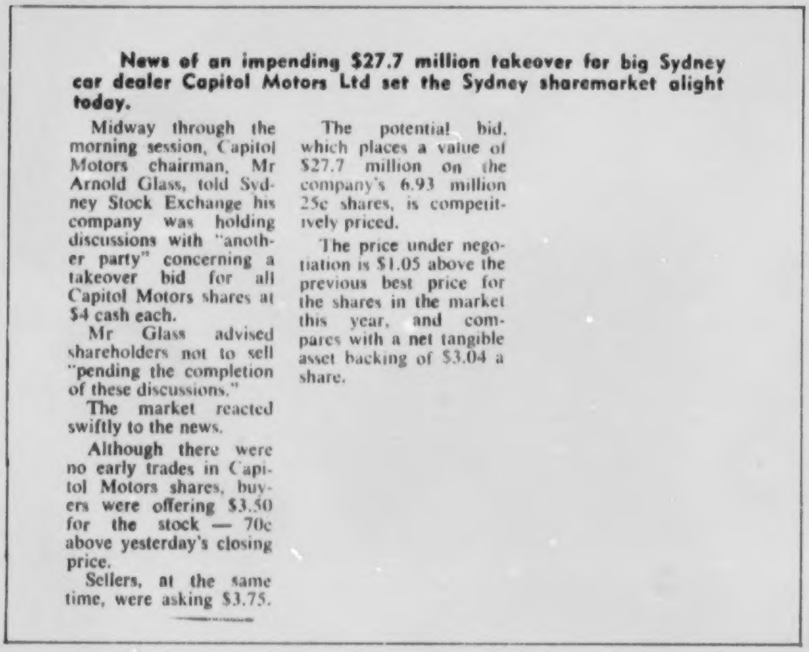
B133

A source of internal finance for business expansion is

1. a bill of sale.
2. undistributed profits.
3. debentures.
4. mortgage.

B134

Questions to (B135 to B137) refer to the information below.



News of an impending $27.7 million takeover for big Sydney car dealer Capitol Motors Ltd set the Sydney sharemarket alight today.

Midway through the morning session, Capitol Motors chairman, Mr Arnold Glass, told Sydney Stock Exchange his company was holding discussions with "another party" concerning a takeover bid for all Capitol Motors shares at $4 cash each.

Mr Glass advised shareholders not to sell "pending the completion of these discussions."

The market reacted swiftly to the news.

Although there were no early trades in Capitol Motors shares, buyers were offering $3.50 for the stock — 70c above yesterday's closing price.

Sellers, at the same time, were asking $3.75.

The potential bid, which places a value of $27.7 million on the company's 6.93 million 25c shares, is competitively priced.

The price under negotiation is $1.05 above the previous best price for the shares in the market this year, and compares with a net tangible asset backing of $3.04 a share.

The proposed takeover bid for each Capitol Motors Ltd. shares is

1. $3.04
2. $3.50
3. $3.75
4. $4.00

B135

The total value of the potential takeover is approximately

1. $21 million.
2. $24 million.
3. $25 million.
4. $28 million.

B136

The par value of Capitol Motors Ltd. shares is

1. $0.25
2. $0.70
3. $1.05
4. $3.50

B137

Questions to (B138 to B144) refer to the information below.

Australia's second biggest financier, the trouble plagued IAC (Holdings) Ltd., will become a wholly owned subsidiary of the giant Citicorp of the U.S. following huge real estate losses and writedowns.

In a shock move late yesterday, directors announced that Nessus Investment Corp., an affiliate of Citicorp plans to acquire all the ordinary and preference shares in IAC not already owned by the U.S. Group.

Citicorp, in a separate statement, said it had undertaken to make 25 per cent of the IAC capital available to Australian investors, as a condition of approval by the Federal Government.

Under an agreed program, Citicorp plans to allow Australian investors 10 per cent of the equity capital over six years from the date of acquisition, and the remaining 15 per cent within 10 years.

The company also proposes to prop IAC up with the injection of $14 million into its coffers, by taking up 20 million shares in the company at an issue price of 70¢ each.

As a result of the latest loss, the company had to withdraw $4.9 million from its reserves to cover the steady annual dividend payout of 7.5¢.

Over the past three years IAC has incurred extraordinary losses and property writedowns totalling $56 million, including $13.54 million in the latest year.

Citicorp, the holding company of Citibank of the U.S. now owns about 51 per cent of the IAC capital.

Obviously there were no whispers of the proposed offer, for investors controlling 118 200 IAC shares yesterday unloaded their holdings at 54¢ - 16¢ below the takeover bid price.

The parent company (or holding company) involved in these dealings with IAC is

1. Citibank of the U.S.
2. Nessus Investment Corp.
3. IAC.
4. Citicorp.

B138

Nessus Investment Corp. will purchase IAC ordinary shares for

1. 7.5¢
2. 16¢
3. 54¢
4. 70¢

B139

Citicorp will inject funds into IAC by

1. a loan of $14 m.
2. a loan of $56 m.
3. purchasing 14 million preference shares.
4. purchasing 20 million ordinary shares.

B140

Before the Citicorp bid IAC shares sold on the stock exchange for

1. 16¢
2. 54¢
3. 70¢
4. $2.00

B141

Before the Citicorp bid minority shareholders of IAC owned

1. 10% of the IAC shares.
2. 25% of the IAC shares.
3. 49% of the IAC shares.
4. 51% of the IAC shares.

B142

After 10 years Australian investors will be offered in IAC

1. 10% equity.
2. 25% equity.
3. 49% equity.
4. 51% equity.

B143

The IAC's recent losses were mainly a result of

1. increased costs.
2. reduced property values.
3. the drop in its share prices.
4. a $4.9m reduction in reserves.

B144

Questions to (B145 to B146) refer to the information below.

PERFORMANCES IN THE OIL INDUSTRY.

Mobil Oil Australia Ltd. yesterday announced a record net profit of $17.4 million for the 12 months ended December 31.

The report shows that the cost of imported crude oil and finished products rose by $69 million, custom duties jumped by $11 million, marketing and distributing expenses increased by $19 million, and other charges - including operating taxes and interest - were a total of $5 million higher.

The first wholly Mobil-owned refinery in Australia, is part of the Port Stanvac complex which also includes a distillation and bitumen refinery owned by Petroleum Refineries (Australia) Pty. Ltd.

Petroleum Refineries, which is 65 per cent owned by Mobil and 35% by Esso, also operates a refinery at Altona, in Victoria.

In the latest year, the subsidiary suffered a fall in net profit from $1.69 million to $1.64 million after a massive jump in tax.

The cost of tariffs for Mobil Oil Australia Ltd. increased by

1. $5m.
2. $11m.
3. $17m.
4. $69m.

B145

Net profit of the subsidiary has

1. increased due to customs duties.
2. increased due to a fall in taxes.
3. fallen due to increased taxes.
4. fallen due to customs duties.

B146

Business firms issue shares in order to

1. increase taxation.
2. raise capital.
3. centralize control.
4. limit ownership.

B147

When a company diversifies it

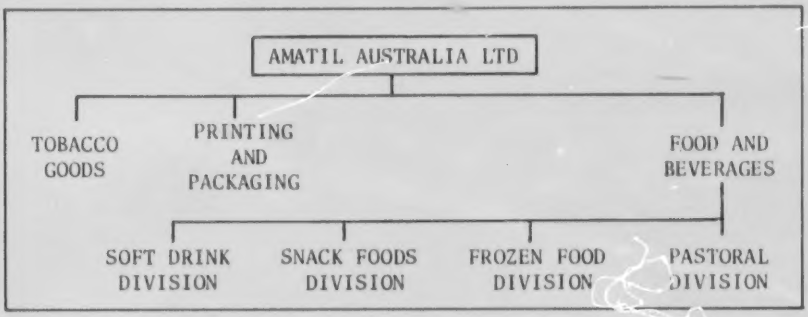
1. expands into different areas of production.
2. separates ownership from control of the firm.
3. expands into smaller areas of production.
4. reorganises its management structure.

B148

A record pressing company buying into soft drink manufactures would be an example of

1. specialist action.
2. vertical integration.
3. horizontal integration.
4. diversification.

B149



The diagram above is an example of

1. monopoly.
2. vertical integration.
3. horizontal integration.
4. diversification.

B150

The purchase of bottle shops by a winery is an example of

1. diversification of production.
2. horizontal integration.
3. vertical integration.
4. decentralization of production.

B151

Questions to (B152 to B154) refer to the information below.

COMPANY IN AUSTRALIA	VALUE	OVERSEAS OWNERS
Australian Oil Refining Pty. Ltd.	$81.8m.	Texico Inc. holds 100%
Petroleum Refineries (Aust.)	$49.9m.	Mobil-Secony Oil 65% S.O. New Jersey 35%
Australia Synthetic Rubber Co.	$14.8m.	Mobil-Secony Oil 35% S.O. New Jersey 35% Good Year Rubber 30%
M[illegible] Oil (Aust.)	$184.4m.	Mobil-Secony Oil 100%
Good Year Tyre and Rubber	$62.2m.	Good Year Rubber 100%

Australian Oil Refining Pty. Ltd. is owned by

1. Texico Inc.
2. Mobil-Secony Oil.
3. S.O. New Jersey.
4. Australian shareholders.

B152

Good Year Rubber's holding in Australia is an example of

1. diversification.
2. horizontal integration.
3. vertical integration.
4. integration.

B153

The Australian company which is controlled by an overseas consortium is

1. Australian Oil Refining Pty. Ltd.
2. Good Year Tyre and Rubber.
3. Australia Synthetic Rubber.
4. Mobil Oil (Aust.).

B154

Questions and (B155 and B156) refer to the information below.

MAYNE EXPANDS

MAYNE NICKLESS LTD., the big transport group, has expanded its growing computer service interests with the purchase of a further 59 per cent of the capital of Northern Computing Services Pty. Ltd. NCS now becomes an 83 per cent-owned subsidiary of the group. Purchase price of the shares was not disclosed.

NCS conducts a computer bureau based in Newcastle and has been associated with Mayne Nickless Computa-Pay service for some years. It will continue to operate under its existing name and management.

The percentage of shares in NCS not owned by Mayne Nickless Ltd. is

1. 17%
2. 24%
3. 59%
4. 83%

B155

Mayne Nickless Ltd. is a

1. parent company.
2. subsidiary.
3. retailer.
4. wholesaler.

B156

The purchase of share rights entitles the buyer to

1. a fixed dividend.
2. buy ordinary shares.
3. the status of the creditor of a firm.
4. buy debentures.

B157

The dividend on a share is the

1. value of each share.
2. return on each share.
3. administrative cost
4. tax payable on each share.

B1[illegible]8

A Holding company is one where

1. the company has ownership of the majority of shares and is able to control the firm.
2. many firms merge to carry out business operations on a large scale.
3. the firm is a subsidiary unit of another firm's operations.
4. the firm is waiting to be sold on the stock exchange.

B159

When firm A buys a majority of firm B's shares, firm B is called a

1. holding company.
2. subsidiary company.
3. parent company.
4. liquidated company.

B160

A consortium is

1. formed when a venture is undertaken jointly by 2 or more firms.
2. an international company with shares owned throughout the world.
3. an organisation of trade unions.
4. formed when firms agree to fix their prices in order to stifle competition.

B161

When different businesses pool their finances for a particular venture it is termed

1. corporate affairs.
2. collusion.
3. a consortium.
4. a subsidiary.

B162

The Australian Government has legislated to control Restrictive Trade Practises in order to

1. reduce competition.
2. preserve and encourage competition.
3. increase the size of Government businesses.
4. eliminate monopolies.

B163

Questions to (B164 to B166) refer to the information below.

The Prices Justification Tribunal has granted Esso Australia Ltd. a 0.54¢ a litre increase on top of the 0.55¢ a litre interim rise granted last December.

This means an increase of around another 3¢ a gallon at the pumps. The rise is expected to be effective from next week.

The 1.09¢ a litre increase falls short of the 1.39¢ sought to cover increased costs because of inflation.

Other oil companies will follow suit. PJT approval is expected by Friday.

The price-rise application lodged by Esso tested the PJT's attitude toward the vital question of profitability.

In seeking the various rises for a range of oil-based products, Esso aimed to boost revenue by $26 million a year.

Of this, some $22 million represents a catchup on devaluation, higher wage and material costs, gradually declining use of cheaper Australian crude and the last oil price rise by OPEC.

The balance represents additional profits which are needed to stimulate future capital investment.

Esso Australia Ltd. sought an increase of

1. 0.54 cents per litre.
2. 0.55 cents per litre.
3. 1.09 cents per litre.
4. 1.39 cents per litre.

B164

Additional revenue used by Esso to stimulate capital investment was

1. 0.30 cents per litre.
2. 0.54 cents per litre.
3. $4 million.
4. $22 million.

B165

The devaluation of the Australian dollar had the effect on Esso Ltd. of

1. increasing its sales of petrol.
2. increasing its use of domestic crude oil.
3. decreasing its retail price of petrol.
4. decreasing its profitability.

B166

An agreement between companies to submit similar quotations for work is

1. collective bargaining.
2. collusive tendering.
3. price mechanism.
4. price discrimination.

B167

A large firm wishing to raise the price of its goods would apply to the

1. Consumer Affairs Bureau.
2. Prices Justification Tribunal.
3. Australian Council of Trade Unions.
4. Department of Labour and Industry.

B168

The Restrictive Trade Practises Legislation in Australia makes it illegal for firms to

1. set a fixed retail price.
2. increase the output of its product.
3. grant wage increases outside awards.
4. mine uranium for overseas markets.

B169

An example of a Restrictive Trade Practice would be

1. an advertisement showing cars selling at $500 off normal price.
2. a wholesaler allowing discounts to all retailers.
3. the Government setting up in competition to a private airline company.
4. collusion between sellers to determine prices.

B170

An argument in favour of restrictions on foreign investment in Australia would be

1. the desire for rapid development of resources.
2. the concern about the amount of Australian investment in other countries.
3. the concern about the increasing control of Australian resources by foreign interests.
4. the desire to rapidly improve our Balance of Payments.

B171

The expansion of a steel producer into the extraction of iron ore is an example of

1. horizontal integration.
2. diversification of production.
3. vertical integration.
4. primary production.

B172

An example of horizontal integration is a steel company purchasing a/an

1. coal mine.
2. aluminium refinery.
3. shipping line.
4. competing steel producer.

B173

The takeover of Koala Newspapers Pty. Ltd. by John Smith Newspapers would be an example of

1. vertical integration.
2. horizontal integration.
3. automation.
4. arbitration.

B174

Vertical integration means the expansion of

1. the firm into multi-storied factories.
2. many companies producing the same product .
3. the firm to produce a variety of different products.
4. a firm into different stages of the same production process.

B175

Vertical integration refers to the

1. diversification of production.
2. expansion into different aspects of the production process.
3. automation of production.
4. takeover of the firm in the same stage of production activity.

B176

The replacement of a worker in an assembly line by a machine is an example of

1. specialisation.
2. automation.
3. interdependence.
4. decentralisation.

B177

A computer is most valuable to a firm because of its ability to

1. organise and distribute information.
2. create more job opportunities.
3. reduce the degree of specialisation.
4. teach people complex tasks.

B178

Productivity is

1. production per head per unit of time.
2. an increase in production.
3. the ability to produce goods.
4. increased working hours.

B179

A firm which does a survey of consumers' preferences is undertaking

1. market research.
2. market orientation.
3. consumer protection.
4. consumer legislation.

B180

Long distance telephone calls within Australia are more rapid and convenient because of

1. STD.
2. OTC.
3. a teleprinter.
4. telex.

B181

Questions and (B182 and B184) refer to the information below.

WEEK	NO. OF T.V.'S PRODUCED PER WEEK	WORKERS
1	15	15
2	10	10
3	5	10
4	6	2

Productivity has increased from

1. week 1 to week 2.
2. week 1 to week 3.
3. week 3 to week 4.
4. week 2 to week 3.

B182

If the output of a worker per week rises then he has

1. increased productivity.
2. decreased productivity.
3. increased inflation.
4. increased unemployment.

B183

An increase in productivity would most likely be brought about by the greater

1. use of raw materials.
2. number of hours worked.
3. use of machinery.
4. amount of overtime worked.

B184

Questions to (B186 to B188) refer to the table below, which sets out selected statistics for General Motors Holden over the period 1973 to 1976.

THE GMH PROBLEM

		No. of units sold	Sales Revenue	No. of employees	Units per employee
1973	...	205 524	$520m	25 042	8.2
1974	...	190 447	$588m	26 515	7.2
1975	...	164 955	$657m	23 390	7.1
1976	...	157 656	$731m	22 579	7.0

Between 1973 and 1976 the

1. number of units sold has increased.
2. sales revenue has increased.
3. number of employees has increased.
4. units per employee has increased.

B186

Between 1973 and 1976 the productivity of labour per annum has

1. increased by 0.2 units.
2. decreased by 0.2 units.
3. increased by 1.2 units.
4. decreased by 1.2 units.

B187

The factor contributing to increased Sales Revenue between 1973 and 1976 would most likely be an increase in

1. productivity.
2. the number of units sold.
3. the costs of producing units.
4. the prices for units sold.

B188

Questions to (B189 to B191) refer to the information below.

HOW MUCH IT COSTS TO EMPLOY YOU.

Base salary ($4.07 x 40 x 52)	$8 476
Holiday Loading (17½% on 4 weeks)	114
Overtime (2.5 hours a week)	661
	9 201
Workers' Compensation Insurance (13%)	1 196
Sick Pay	460
Total Pay	10 857
Supervision (7.5% of $10 857)	814
	11 671
Administration (2.5% of $11 671)	292
	$11 963

Hourly cost of employee (1 892 available hours a year) is $6.32

Source: Victorian Chamber of Manufacturers.
"Sun Herald" 5/6/77

The average annual income received by an employee under the above conditions is

1. $8 476
2. $9 201
3. $11 671
4. $11 963

B189

Apart from basic salary, the greatest direct cost of an employee to the employer is

1. holiday loading.
2. overtime.
3. workers' compensation.
4. sick pay.

B190

On the day he receives his 4 week holiday pay an employee actually receives

1. 4 weeks wages.
2. 17½% of 4 weeks wages.
3. 4 weeks wages plus 17½% of 4 weeks wages.
4. 17½% of base salary.

B191

The ability of labour to relocate in a new area to find work is referred to as

1. specialisation.
2. decentralisation.
3. mobility (of labour).
4. efficiency (of labour).

B192

Labour productivity is the increased output resulting from

1. more efficient use of a factory's capital.
2. more efficient use of land in the economy.
3. greater production per industry.
4. greater production per worker.

B193

Costs of production would be increased by

1. automation.
2. specialisation.
3. declining productivity.
4. use of computers.

B194

Advertising may be a disadvantage to the consumer because it can

1. increase sales and therefore lower prices.
2. raise prices to the consumer.
3. create employment in tertiary industry.
4. lead to better informed consumers.

B195

The main function of advertising is to

1. mislead consumers.
2. inform consumers.
3. increase the supply of the product.
4. ✓ expand sales of the product.

B196

Advertising is generally used by firms in order to

1. assist the media to operate at a profit.
2. increase sales of its product.
3. raise the quality of its product.
4. provide freedom of choice for the consumer.

B197

A producer can sell more of his produce if competitors

1. raise advertising expenditure.
2. lower their price.
3. raise their price.
4. lower their production costs.

B198

The service offered by a credit bureau is to provide

1. finance for borrowers.
2. borrowers with information about lenders.
3. retailers with information about wholesalers.
4. information about credit ratings.

B199

Goods are distributed in a modern economy by means of

1. markets.
2. demand.
3. supply.
4. output.

B200

An example of a wholesaling outlet would most likely be a

1. franchise.
2. department store.
3. warehouse.
4. chain store.

B201

The selling of goods and services to consumers for personal use is called

1. bulk buying.
2. retailing.
3. distribution.
4. wholesale selling.

B202

A person who acts on behalf of a principal when dealing with a third party is called

1. an arbitrator,
2. a conciliator.
3. a vendor.
4. an agent.

B203

In selling a house, estate agents receive

1. rent.
2. a commission.
3. royalties.
4. a dividend.

B204

Increases in efficiency of transport are most likely achieved by

1. decentralisation.
2. conciliation.
3. arbitration.
4. containerisation.

B205

A postcode

1. is the postal address of the sender.
2. assists the sorting of mail.
3. indicates a mail box number.
4. eliminates the necessity to register a letter.

B206

Questions to (B207 to B209) are based on the information below.

> Colgate-Palmolive has been granted a price increase of 1.66 per cent based on increased advertising costs.
>
> The price rise, announced yesterday by the Prices Justification Tribunal, will apply to detergent powders and liquids, toilet soaps, cleaners and cleansers, and dental creams.
>
> Colgate-Palmolive said the price increase was designed only to recoup increased charges to the company for the same level of advertising.
>
> The tribunal found that the company had incurred substantial rate increases in TV advertising since 1976.
>
> It said the company should not be expected to absorb them and was justified in increasing prices because of this factor.

Advertising has been considered by the Prices Justification Tribunal to be

1. an indication of the quality of a product.
2. a legitimate cost of production.
3. a statement concerning the exact composition of a product.
4. a new technique of production.

B207

The application by Colgate-Palmolive for a price increase was based on increased advertising costs incurred in

1. newspapers.
2. radio advertisements.
3. television advertisements.
4. registered mail.

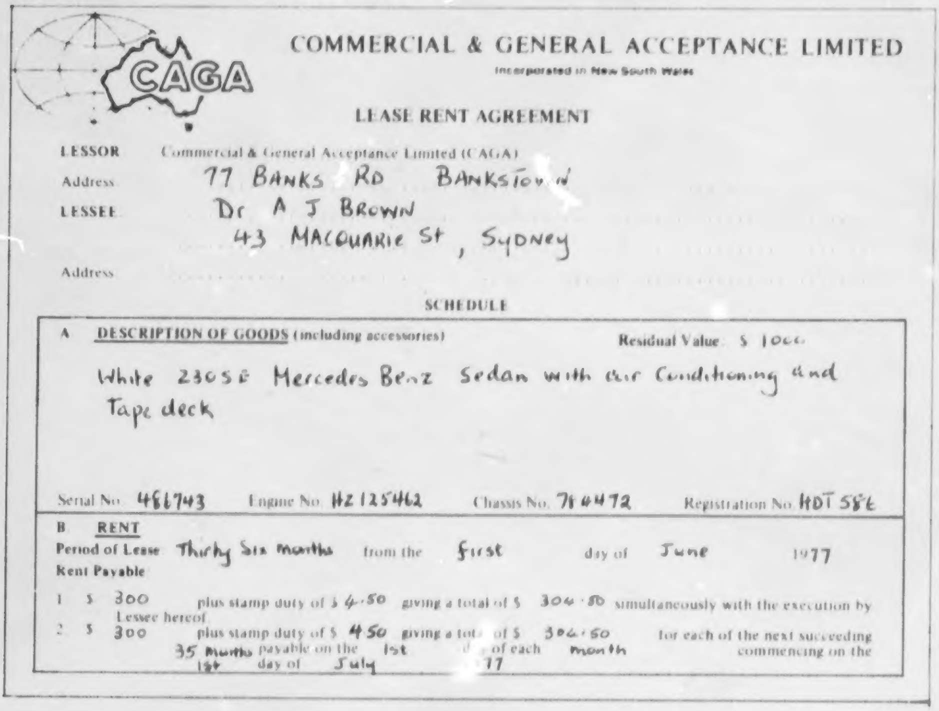
B208

Colgate-Palmolive would absorb a cost increase if it

1. increased its prices.
2. increased its profit margin.
3. decreased its prices.
4. decreased its profit margin.

B209

Questions to (B210 to B213) are based on the information below.



COMMERCIAL & GENERAL ACCEPTANCE LIMITED

Incorporated in New South Wales

LEASE RENT AGREEMENT

LESSOR Commercial & General Acceptance Limited (CAGA)

Address 77 BANKS RD BANKSTOWN

LESSEE Dr A J BROWN

43 MACQUARIE St, SYDNEY

Address

SCHEDULE

A **DESCRIPTION OF GOODS** (including accessories) **Residual Value** $ 1000

White 230SE Mercedes Benz Sedan with air Conditioning and Tape deck

Serial No. 486743 Engine No. HZ125462 Chassis No. 784472 Registration No. HDT 586

B **RENT**

Period of Lease Thirty Six months from the first day of June 1977

Kent Payable

1 $ 300 plus stamp duty of $ 4·50 giving a total of $ 304·50 simultaneously with the execution by Lessee hereof

2 $ 300 plus stamp duty of $ 4·50 giving a total of $ 304·50 for each of the next succeeding 35 months payable on the 1st day of each month commencing on the 1st day of July 77

This form is used for

1. hire purchase agreements.
2. registration of a motor car.
3. leasing agreements.
4. personal loan agreements.

B210

The lessor is the

1. seller.
2. hirer.
3. owner.
4. buyer.

B211

The stamp duty of $4.50 is levied by the

1. lessor.
2. Motor Transport Department.
3. State Government.
4. Australian Government.

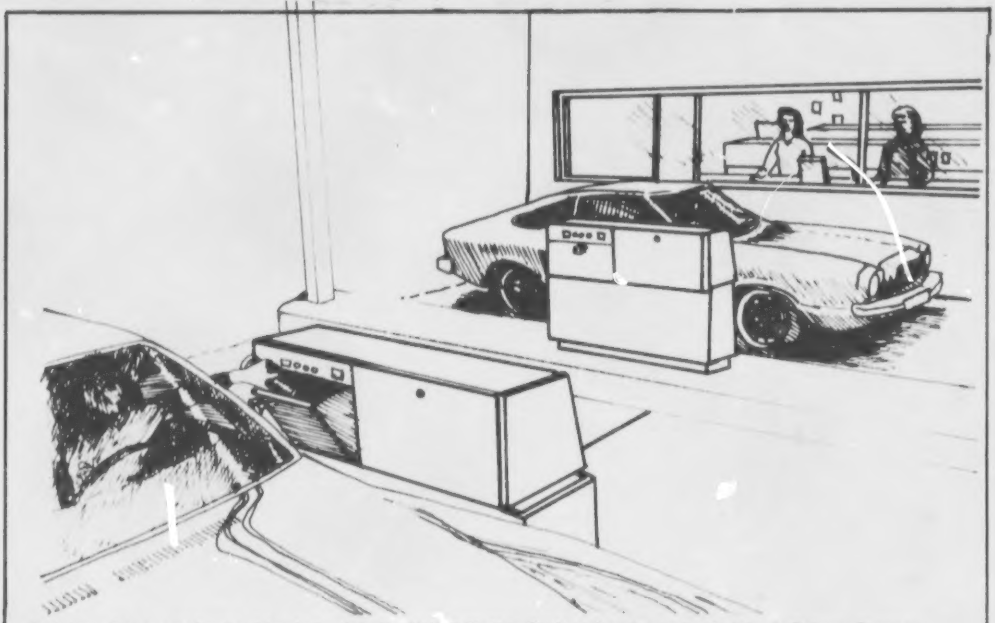
B212

Residual value of $1000 means the

1. total cost of the car.
2. deposit the lessee must put down on the car.
3. retail price of the car.
4. book value of the car after the agreement has terminated.

B213

Questions to (B214 to B216) are based on the photograph below.



An interesting example of a drive-in bank in the United States. Designed and constructed by LeFebure Corporation, a division of Walter Kidde & Company Inc., Cedar Rapids, Iowa, it is known as "a Tel-Air Five drive-in bank installation."

These business methods will soon exist in Australia because

1. of pressure from car manufacturers.
2. Australian banks are partly owned by U.S.A. banks.
3. they increase the convenience of banking.
4. they will increase reserve bank control of the banks.

B214

The purchase of these machines by a banking firm would affect the balance sheet of the firm by

1. increasing fixed assets.
2. decreasing fixed assets.
3. increasing working capital.
4. decreasing working capital

B215

These machines by decreasing labour costs would affect the profit and loss account of the firm by

1. increasing gross profit.
2. increasing net profit.
3. decreasing net profit.
4. decreasing capital depreciation.

B216

CONSUMERS

EARNING AN INCOME C1 - C14
BUYING GOODS C15 - C45
BUYING SERVICES C46 - C56
BUYING A CAR C57 - C80
BUYING A HOME C81 - C90
BUDGETING AN INCOME C91 - C110
CONSUMER PROTECTION C111 - C117

CONSUMERS

Question No.	Answer	Question No.	Answer
C1	4	C41	1
C2	2	C42	3
C3	2	C43	2
C4	1	C44	1
C5	1	C45	1
C6	2	C46	2
C7	1	C47	2
C8	3	C48	3
C9	1	C49	3
C10	3	C50	3
C11	4	C51	1
C12	1	C52	1
C13	2	C53	2
C14	4	C54	4
C15	1	C55	1
C16	4	C56	2
C17	3	C57	3
C18	3	C58	3
C19	4	C59	2
C20	3	C60	3
C21	4	C61	3
C22	4	C62	3
C23	3	C63	3
C24	3	C64	1
C25	3	C65	4
C26	4	C66	2
C27	3	C67	1
C28	3	C68	3
C29	2	C69	4
C30	3	C70	4
C31	3	C71	3
C32	2	C72	3
C33	2	C73	4
C34	1	C74	4
C35	1	C75	1
C36	3	C76	1
C37	2	C77	3
C38	2	C78	3
C39	1	C79	4
C40	1	C80	1

CONSUMERS

Question No.	Answer	Question No.	Answer
C81	2	C99	3
C82	1	C100	2
C83	2	C101	3
C84	1	C102	4
C85	1	C103	2
C86	2	C104	1
C87	2	C105	2
C88	4	C106	3
C89	3	C107	4
C90	3	C108	1
C91	4	C109	2
C92	1	C110	4
C93	3	C111	1
C94	2	C112	1
C95	2	C113	2
C96	3	C114	2
C97	2	C115	3
C98	2	C116	1
		C117	2

The document given to an employee by his/her employer at the end of each financial year, showing details of income from wages and tax instalment deductions, is a

1. tax sheet.
2. tax return.
3. pay advice.
4. group certificate.

C1

Income tax is deducted from your pay each week by your

1. employee.
2. employer.
3. income tax agent.
4. income tax assessor.

C2

Mary Brown's income increased and she spent a higher percentage of it on luxury goods. The reason for this is likely to be that

1. luxury goods became cheaper.
2. her surplus,after basic needs were met,was greater.
3. prices rose as a result of inflation.
4. credit was available at lower interest rates.

C3

In Australia,most consumers earn their income from

1. wages.
2. salaries.
3. rent.
4. interest.

C4

Superannuation schemes provide for payments

1. on retirement.
2. to the unemployed.
3. to employees when sick.
4. for retraining.

C5

A person's disposable income for a period is equal to

1. spending + consumption.
2. savings + spending.
3. budget + savings.
4. consumption + current income.

C6

A person who cannot meet his debts as they fall due is

1. insolvent.
2. bankrupt.
3. liquidated.
4. intestate.

C7

The return for labour is

1. rent.
2. profit.
3. wages.
4. interest.

C8

Disposable income is the amount of income left over after deducting

1. income tax.
2. savings.
3. investment.
4. spending.

C9

A person who has been paid less than the N.S.W. award wage (in his job) could seek help from the

1. Arbitration Commission.
2. Conciliation Commission.
3. Department of Labour and Industry .
4. Consumer Affairs Bureau.

C10

In Australia, the "minimum wage" is determined by the

1. Industries Acceptance Commission.
2. Prices Justification Tribunal.
3. Australian Council of Trade Unions.
4. Commonwealth Conciliation and Arbitration Commission.

C11

An argument which would help justify the introduction of a 35 hour working week would be that

1. productivity had increased.
2. wages had increased.
3. profits had decreased.
4. production had decreased.

C12

The tax system which enables wage earners to pay income tax by instalments during the year is called

1. progressive.
2. P.A.Y.E.
3. payroll.
4. provisional.

C13

Taxable income is the amount of

1. total income you have earned.
2. tax you have paid on your income.
3. tax you have paid.
4. income on which you should pay tax.

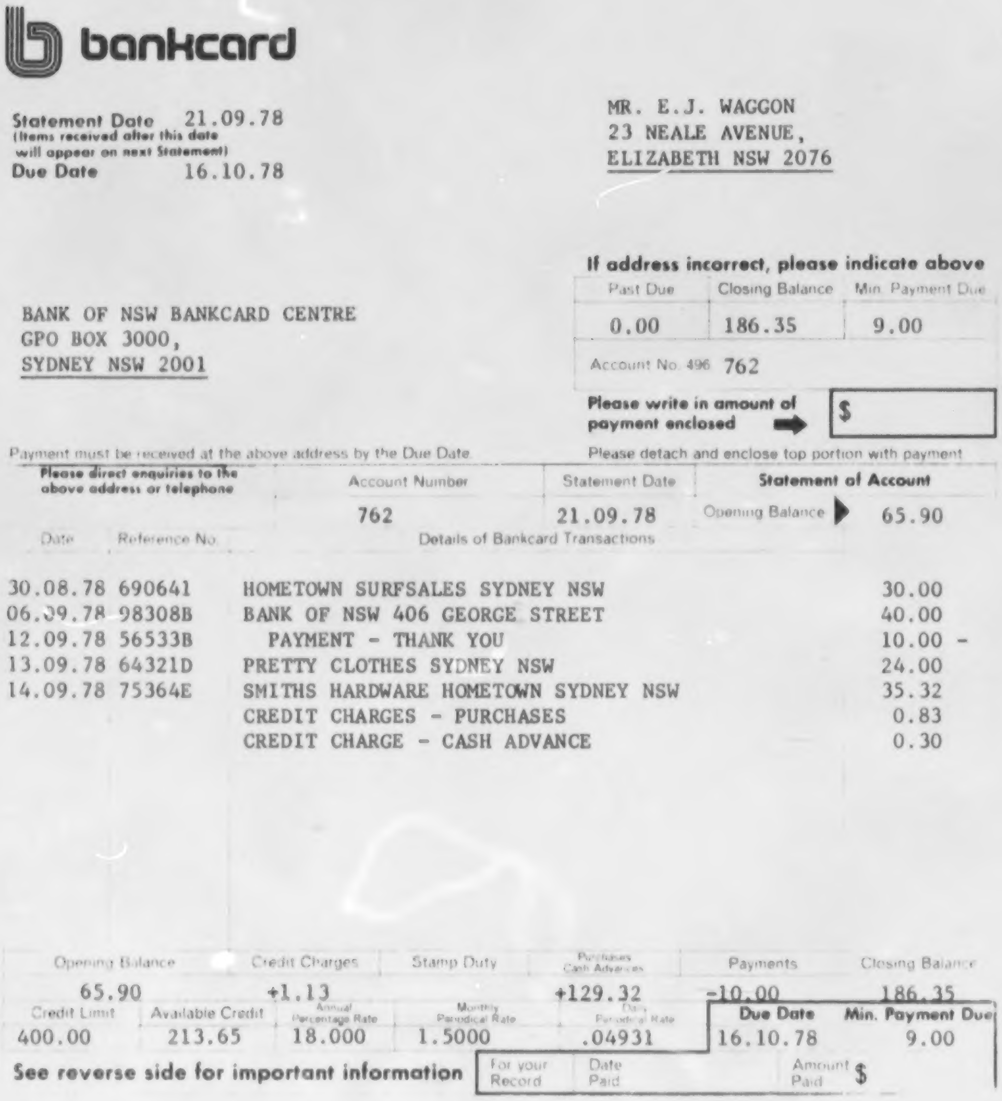
C14

A person who is an undischarged bankrupt is NOT allowed to

1. own property.
2. claim unemployment benefits if unemployed.
3. keep his tools of trade.
4. be employed by someone else.

C15

Questions to (C16 to C21) refer to the information below.



bankcard

Statement Date 21.09.78
(Items received after this date will appear on next Statement)
Due Date 16.10.78

MR. E.J. WAGGON
23 NEALE AVENUE,
ELIZABETH NSW 2076

If address incorrect, please indicate above

Past Due	Closing Balance	Min. Payment Due
0.00	186.35	9.00

Account No. 496 762

BANK OF NSW BANKCARD CENTRE
GPO BOX 3000,
SYDNEY NSW 2001

Please write in amount of payment enclosed $

Payment must be received at the above address by the Due Date.

Please detach and enclose top portion with payment

Please direct enquiries to the above address or telephone	Account Number	Statement Date	**Statement of Account**
	762	21.09.78	Opening Balance 65.90

Date	Reference No.	Details of Bankcard Transactions	
30.08.78	690641	HOMETOWN SURFSALES SYDNEY NSW	30.00
06.09.78	98308B	BANK OF NSW 406 GEORGE STREET	40.00
12.09.78	56533B	PAYMENT - THANK YOU	10.00 -
13.09.78	64321D	PRETTY CLOTHES SYDNEY NSW	24.00
14.09.78	75364E	SMITHS HARDWARE HOMETOWN SYDNEY NSW	35.32
		CREDIT CHARGES - PURCHASES	0.83
		CREDIT CHARGE - CASH ADVANCE	0.30

Opening Balance	Credit Charges	Stamp Duty	Purchases Cash Advances	Payments	Closing Balance
65.90	+1.13		+129.32	-10.00	186.35

Credit Limit	Available Credit	Annual Percentage Rate	Monthly Periodical Rate	Daily Periodical Rate	**Due Date**	**Min. Payment Due**
400.00	213.65	18.000	1.5000	.04931	16.10.78	9.00

See reverse side for important information

For your Record	Date Paid	Amount Paid $

The amount that E.J. Waggon owes on his bankcard is

1. $9.00
2. $65.90
3. $129.32
4. $186.35

C16

The amount of interest charged per month on the amount outstanding is

1. .30%
2. .83%
3. 1.5%
4. 18%

C17

The value of goods and services that E.J. Waggon can still buy on his bankcard is

1. $65.90
2. $186.35
3. $213.65
4. $400.00

C18

During the month, Waggon received a cash advance from the bank of

1. 30¢
2. $1.13
3. $10
4. $40

C19

Service charges on a bankcard are made on the

1. credit limit.
2. sum total of purchases.
3. outstanding balance.
4. minumum payment due.

C20

The bankcard is acceptable

1. in all retail stores.
2. only in New South Wales.
3. all Commonwealth countries.
4. in a limited number of stores.

C21

Creditors may apply to the Bankruptcy Court to have a debtor declared bankrupt if he

1. has a bank overdraft of $500.00
2. has a trading loss in one year of $1000.00
3. refuses to pay a debt of $200.00
4. is unable to pay debts of $1000.00

C22

A person cannot be declared bankrupt until

1. his goods have been repossessed.
2. he is three months behind in his repayments.
3. court proceedings have been taken against him.
4. he has an overdraft with the bank.

C23

A bankrupt must hand over to the Official Receiver his

1. life assurance policy - surrender value $500.
2. tools of trade valued at $480.
3. business premises valued at $20 000.
4. personal clothing valued at $2000.

C24

Under a Hire Purchase agreement Mary White agreed to pay for a T.V. set over 2 years. However, she paid it off within six months and saved $20.00. The amount saved would be called a

1. refund.
2. discount.
3. rebate.
4. bonus.

C25

Questions to (C26 to C28) are based on the information below.

St. George and Sutherland shire housewives are being plagued by high-pressure door-to-door salesmen who first claim to be the bearers of alluring prizes and awards.

Sutherland police have received so many complaints from housewives being harassed by the daytime callers that they informed the Consumer Affairs Bureau.

In Kogarah and Hurstville, residents are being pestered by the smooth talking sellers, who claim to be overseas-based representatives with "free offers" to promote newly-published encyclopaedias and special magazines.

Police and bureau officials said that, despite the tightening up 10 years ago of legislation controlling door-to-door selling, they are powerless to stop the visits.

They said there was no evidence that the canvassers were failing to comply with the Credit Sales Agreement Act, which provides a "cooling off" period for customers between initial inclination and final agreement to buy.

Sales Swoop

Any breaches or attempted breaches of the Act in that respect should be reported immediately, they said ...

They did not hold out "free offers" or use similar gimmicks and were not the cause of the present flood of complaints.

Police said the housewife should be on guard against the other variety asking them to "come to the point and stop the sales talk".

Try Gimmicks.

In the light of what the salesman then said, she should decide whether to terminate the proposition then and there or ask him to return when her husband was home.

The organisation best able to advise the Sutherland housewives is the

1. Australian Consumers' Association Ltd.
2. N.S.W. Police Department.
3. Door-to-Door Sales Commission.
4. Consumer Affairs Bureau.

C26

The organisation contacted on behalf of the plagued Sutherland Shire housewives was able to

1. provide legal advice for all 'plagued' housewives.
2. stop all visits to housewives by encyclopaedia salesmen.
3. establish whether or not the salesmen were using acceptable methods.
4. intercede in place of the police at the housewives request.

C27

The 'door-to-door' salesman must

1. never use 'high pressure' tactics such as offering free gifts.
2. refrain from knocking on any door unless invited to do so.
3. cancel a contract if asked to do so within the 'cooling off period'.
4. never sell encyclopaedias on behalf of overseas based firms.

C28

J. Jackson's current account at 30 June, 1976 showed he had $1450 in his account. On comparing documents he found that

I. a receipt of $275.00 had not been banked.
II. and that cheques for $195.00 and $200.00 had not been presented.

The adjusted balance would be

1. $670.
2. $1330.
3. $1570.
4. $2120.

C29

If Mr. Smith sold goods on credit to Mr. Brown, Mr. Smith would be Mr. Brown's

1. debtor.
2. guarantor.
3. creditor.
4. mortgagor.

C30

The minimum age at which you can legally make a will, contract or hire purc[illegible]e agreements is

1. 16 years and 9 months.
2. 17 years and 6 months.
3. 18 years.
4. 20 years.

C31

Questions & (C32 & C33) refer to the newspaper article on the advertising industry below.

COLOUR TV BOOST FOR ADVERTISING INDUSTRY

The product categories of radio and T.V., cars and trucks, building materials, liquor, and food showed the highest increase in advertising expenditure last year over 1975, according to the annual report published by Commercial Economic Advisory Service of Australia.

A drop in advertising expenditure (not simply in real terms but in absolute dollars) was shown for the categories of toilet soaps, gas appliances, aspirintype products and cigarettes.

Spending on radio and T.V. was up $4.1 million to $11.6 million in 1976. This was due, obviously, to the colour T.V. boom.

There was a significant drop in T.V.'s share of aspirin product advertising, possibly as a result of the tough guidelines issued by the Government covering analgesic ads.

As a result of the air media ban, spending on cigarettes dropped by $1.4 million to $9 million.

Spending on cigarettes changed as a result of

1. the colour T.V. boom.
2. the air media ban.
3. a drop in aspirin product advertising.
4. tough guidelines issued by the Government.

C32

The product category which experienced the greatest percentage increase in advertising expenditure in 1976 was

1. toilet soaps.
2. building materials.
3. cigarettes.
3. aspirin.

C33

The quantity of a good produced is determined by consumer

1. demand.
2. wants.
3. surplus.
4. protection.

C34

Questions to (C35 to C37) refer to the information below.

Product A : Your Guarantee for Quality.

Flexiware is one of the first plastic products made, and is guaranteed by Flexiware of Australia Pty. Ltd. against defects in workmanship and materials. For replacement, return such products to the nearest Flexiware Distributor listed in the Telephone Directory.

Product B : Nova Guarantee.

If for any reason whatsoever a Nova product is not found satisfactory it will be cheerfully exchanged or the full purchase price refunded upon its return to us or to our representative.

Both guarantees above ensure

1. replacement of product .
2. refund of purchase price.
3. replacement for any reason.
4. refund if consumer is dissatisfied.

C35

A defective product would be replaced by

1. Flexiware only.
2. Nova only.
3. both Flexiware and Nova.
4. neither Flexiware nor Nova.

C36

You could get your money back under

1. Flexiware only.
2. Nova only.
3. both Flexiware and Nova.
4. neither Flexiware nor Nova.

C37

An example of a collective want is

1. soft drink.
2. defence.
3. clothing
4. housing.

C38

A credit bureau would consider a person's capacity to pay to determine his

1. credit rating.
2. lending ability.
3. budget allocation.
4. investment plan.

C39

A consumer good is something which is

1. used directly by consumers.
2. sold directly by consumers.
3. used only by producers.
4. produced only by consumers.

C40

We cannot satisfy all our wants because

1. our income is limited.
2. production is greater than demand.
3. we must save some of our income.
4. spending is limited to present income.

C41

A consumer must put all his economic wants into some order of preference because wants are

1. unlimited while income is unlimited.
2. limited while income is limited.
3. unlimited while income is limited.
4. limited while income is unlimited.

C42

The basic economic problem is

1. to satisfy as many wants as possible using unlimited resources.
2. to satisfy as many wants as possible using limited resources.
3. price rises when they are in excess of wage rises.
4. the constant price and wage changes in the economy.

C43

The rationing device used to help solve the economic problem is

1. price.
2. income.
3. demand.
4. supply.

C44

The term "unlimited wants" means

1. there is no limit to the things we would like to have.
2. we can buy anything we want.
3. those wants which are limited by income.
4. the country has a high standard of living.

C45

An Endowment Insurance Policy is paid when the policy

1, lapses.
2. holder reaches a stated age.
3. holder has an automobile accident.
4. owner has children.

C46

An amount paid to a policy holder in addition to an agreed amount on his life assurance policy is called

1. premium.
2. bonus.
3. dividend.
4. interest.

C47

Immediate insurance protection for property is obtained through the issue of a

1. promissory note.
2. proposal form.
3. cover note.
4. re-instatement note.

C48

The value of an assurance policy which is cashed in before it matures is its

1. premium value.
2. bonus value.
3. surrender value.
4. discount value.

C49

The item which is not essential when you take out a life assurance policy on someone is

1. the payment of the premium.
2. insurable interest.
3. good health.
4. utmost good faith.

C50

Life assurance on a person who has a dangerous job would involve the additional payment of

1. a loading.
2. interest.
3. an indemnity.
4. an excess.

C51

An averaging clause means that if a property worth $100 000 is only insured for $80 000 then damage of $50 000 would cost the insurance company

1. $40 000
2. $50 000
3. $80 000
4. $100 000

C52

The purpose of third party insurance is to cover the

1. driver in case of an accident.
2. passengers in case of an accident.
3. vehicle in case of an accident.
4. other vehicle in case of an accident.

C53

The types of insurance that are compulsory under State Government legislation include

1. public risk and comprehensive motor vehicle.
2. comprehensive motor vehicle and workers' compensation.
3. public risk and third party motor vehicle.
4. workers' compensation and third party motor vehicle.

C54

The two types of insurance which a church fete would most likely take out are

1. pluvius/public liability.
2. pluvius/life assurance.
3. workers' compensation/third party.
4. motor vehicle compensation/public liability.

C55

Reinstatement is the right of an insurer to

1. rewrite an insurance policy.
2. repair the damage to an insured asset.
3. re-employ a person on workers' compensation.
4. money owing on insurance premiums.

C56

Subrogation is the right of an

1. insured to repair his damaged property.
2. insured to recover any financial losses.
3. insurer to sue any person who caused the loss.
4. insurer to spread his risk with other insurers.

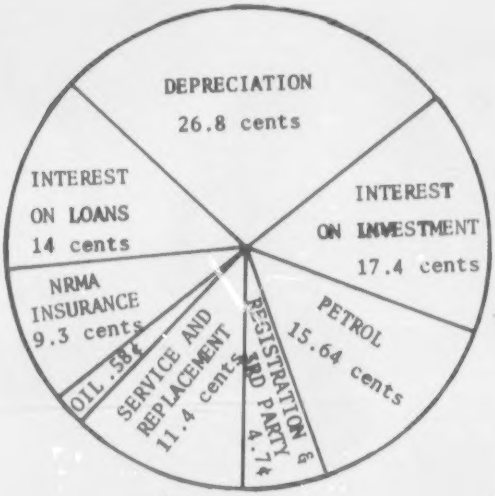
C57

Third party compulsory car insurance is paid when you

1. purchase the car.
2. pay off the car loan.
3. register the car.
4. insure the car comprehensively.

C58

Questions to (C59 to C64) are based on the extract below.



WHAT IT COSTS TO KEEP YOUR CAR GOING.

The chart above shows where the motorist's dollar goes in the first year of ownership.

The figures are calculated from a table on the running and standing costs over three years for a new Holden Kingswood costing $5372.

It is based on the assumption that the owner paid a 25 per cent deposit.

The car would have cost $2666 to own in the first year.

The cost of owning a Holden Kingswood in the first year is

1. $1348.
2. $2666.
3. $5372.
4. $8038.

C59

"Interest on Investment" on the graph refers to the

1. appreciation of the value of the car.
2. interest charged on the loan taken out.
3. return on investing this money elsewhere.
4. profits made by the N.R.M.A. on their investments.

C60

According to this graph the largest cost associated with owning a Holden Kingswood in the first year would be

1. interest repayments.
2. the decreased value of the car.
3. running costs.
4. registration.

C61

An increase in wage rates would have the greatest effect on

1. registration.
2. depreciation cost.
3. service and replacement costs.
4. interest on investments.

C62

If a 50% deposit on the car was paid, the item which would show the greatest reduction in cost would be

1. depreciation.
2. interest on investment.
3. interest on loan.
4. registration and third party insurance.

C63

Third Party Motor Vehicle Insurance

1. is compulsory on all cars.
2. is optional on all cars.
3. should be paid only on new cars.
4. is paid only on used cars.

C64

The type of insurance which is compulsory for a car owner is

1. motor vehicle comprehensive.
2. public liability.
3. life assurance.
4. third party.

C65

Questions to (C66 to C69) refer to the extract below, from a hire purchase agreement entered into by a person who bought a car.

Cash Price	$2200.00
Deposit Cash	100.00
Trade-In	529.65
Residue	1570.35
Vehicle Registration	63.55
Insurance paid one year	130.10
Stamp Duty	76.00
Total	1840.00
Terms charged	386.24
Total Rent Payable	2226.24
Add Deposit	629.65
Total amount payable (includes deposit)	$2855.89

The hirer in the above agreement has made a trade-in which has

1. increased the amount borrowed.
2. decreased the amount borrowed.
3. increased the cash price.
4. decreased the cash price.

C66

The amount the hirer borrowed from the finance company was

1. $1840.00
2. $2200.00
3. $2226.24
4. $2855.89

C67

The total amount the hirer must repay the finance company is

1. $1840.00
2. $2200.00
3. $2226.24
4. $2855.89

C68

The amount of interest payable on the money borrowed in the agreement is

1. $76.00
2. $130.10
3. $269.65
4. $386.24

C69

The law in N.S.W. now requires licenced second hand dealers to

1. provide a 12/12 warranty on all cars they sell.
2. sell their cars at the advertised price.
3. give a minimum trade-in of $500.
4. provide a warranty for all cars sold over a value of $500.

C70

The type of warranty on a used car in N.S.W. (by law) is determined by its

1. age.
2. mileage.
3. price.
4. buyer.

C71

Every car owner in N.S.W. is required to have

1. public risk insurance.
2. comprehensive insurance.
3. third party insurance.
4. general accident insurance.

C72

In N.S.W. a statutory warranty must be given when a licensed dealer sells a car valued at

1. $200
2. $300
3. $400
4. $500

C73

Questions to (C74 to C76) refer to the information below.

WATSON MOTORS PURCHASE PLANS

	PLAN A 10% Deposit	PLAN B 30% Deposit
Basic purchase hire (cash price)	4500	4500
Plus Registration (1st Year)	168	168
Plus Insurance (3 Years)	382	382
	5050	5050
Less Deposit paid	450	1350
Residue	4600	3700
Plus Finance charge (7% p.a. flat)	966	777
Amount to be paid	5566	4477

The total cost of purchasing a car under Plan A would be

1. $4500
2. $5050
3. $5566
4. $6016

C74

Plan B involves a smaller debt to the buyer because he

1. has paid a higher deposit.
2. is paying a lower interest rate.
3. is paying over a longer period of time.
4. has paid a lower deposit.

C75

From this example you can see that

1. a higher deposit results in lower total repayment.
2. a higher deposit results in lower interest rates.
3. the higher the residue the less interest you pay.
4. bank finance is dearer than hire purchase.

C76

If two motor cars collided at an intersection, third party insurance would NOT cover damages for

1. injuries to a pedestrian.
2. injuries to passengers.
3. injury to the driver at fault.
4. death of the driver not at fault.

C77

To the owner of a motor vehicle a fixed cost would be

1. petrol.
2. repairs.
3. registration.
4. tyres.

C78

An example of a variable cost of running a motor vehicle would be

1. registration.
2. insurance.
3. stamp duty.
4. petrol.

C79

A compulsory insurance for a motor vehicle owner is

1. third party.
2. comprehensive.
3. personal accident.
4. all risks.

C80

An item which is not a hidden cost when you buy a home is

1. water rates.
2. the purchase price.
3. solicitor's fees.
4. stamp duty.

C81

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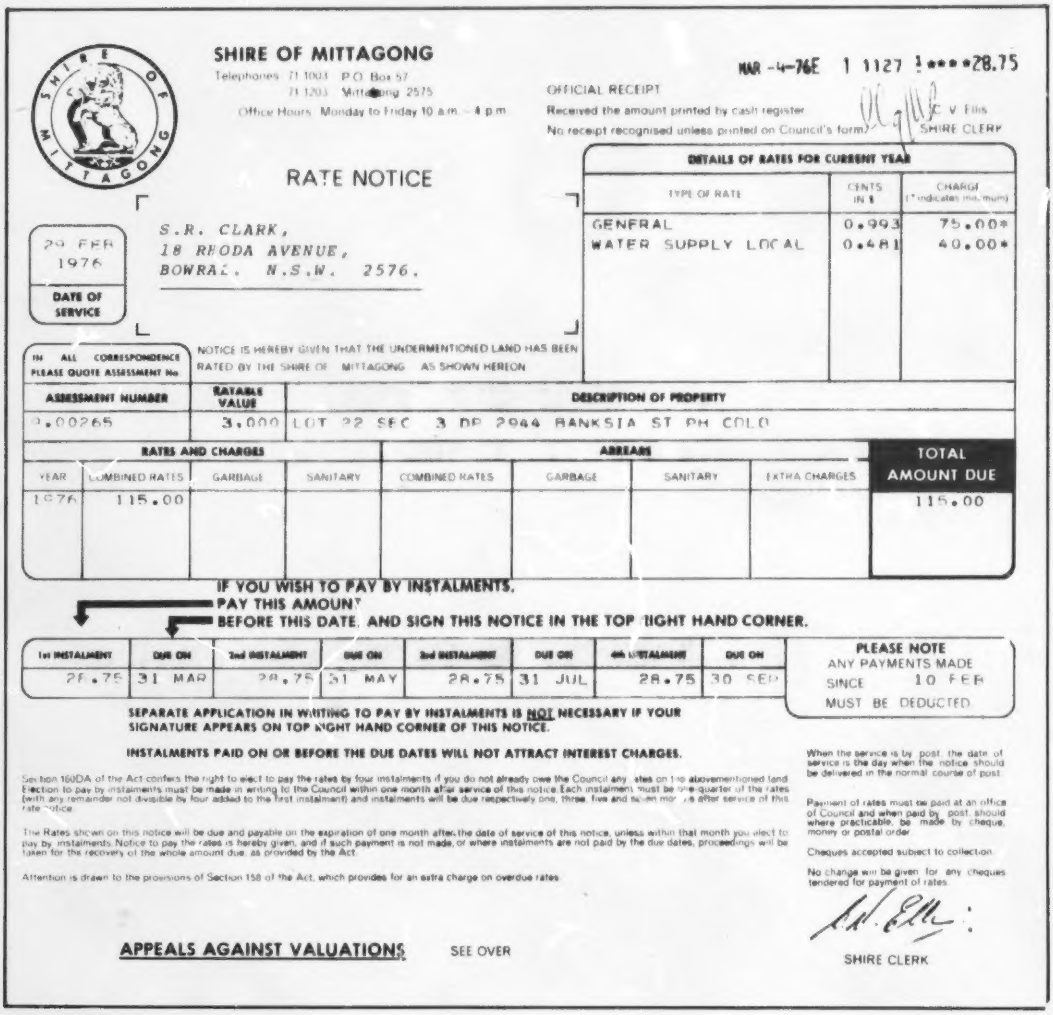
(89)

Questions to (C82 to C85) refer to the information below.



SHIRE OF MITTAGONG

Telephones 71 1003 P.O. Box 57
71 1203 Mittagong 2575

Office Hours Monday to Friday 10 a.m. – 4 p.m.

MAR -4-76E 1 1127 1****28.75

OFFICIAL RECEIPT
Received the amount printed by cash register
No receipt recognised unless printed on Council's form.

C V Ellis
SHIRE CLERK

RATE NOTICE

29 FEB 1976
DATE OF SERVICE

S.R. CLARK,
18 RHODA AVENUE,
BOWRAL. N.S.W. 2576.

DETAILS OF RATES FOR CURRENT YEAR

TYPE OF RATE	CENTS IN $	CHARGE (* indicates minimum)
GENERAL	0.993	75.00*
WATER SUPPLY LOCAL	0.481	40.00*

IN ALL CORRESPONDENCE PLEASE QUOTE ASSESSMENT No.

NOTICE IS HEREBY GIVEN THAT THE UNDERMENTIONED LAND HAS BEEN RATED BY THE SHIRE OF MITTAGONG AS SHOWN HEREON

ASSESSMENT NUMBER	RATABLE VALUE	DESCRIPTION OF PROPERTY
9.00265	3,000	LOT 22 SEC 3 DP 2944 BANKSIA ST PH COLO

RATES AND CHARGES				ARREARS				TOTAL AMOUNT DUE
YEAR	COMBINED RATES	GARBAGE	SANITARY	COMBINED RATES	GARBAGE	SANITARY	EXTRA CHARGES	
1976	115.00							115.00

IF YOU WISH TO PAY BY INSTALMENTS,
PAY THIS AMOUNT
BEFORE THIS DATE, AND SIGN THIS NOTICE IN THE TOP RIGHT HAND CORNER.

1st INSTALMENT	DUE ON	2nd INSTALMENT	DUE ON	3rd INSTALMENT	DUE ON	4th INSTALMENT	DUE ON
28.75	31 MAR	28.75	31 MAY	28.75	31 JUL	28.75	30 SEP

PLEASE NOTE
ANY PAYMENTS MADE
SINCE 10 FEB
MUST BE DEDUCTED

SEPARATE APPLICATION IN WRITING TO PAY BY INSTALMENTS IS NOT NECESSARY IF YOUR SIGNATURE APPEARS ON TOP RIGHT HAND CORNER OF THIS NOTICE.

INSTALMENTS PAID ON OR BEFORE THE DUE DATES WILL NOT ATTRACT INTEREST CHARGES.

Section 160DA of the Act confers the right to elect to pay the rates by four instalments if you do not already owe the Council any rates on the abovementioned land. Election to pay by instalments must be made in writing to the Council within one month after service of this notice. Each instalment must be one-quarter of the rates (with any remainder not divisible by four added to the first instalment) and instalments will be due respectively one, three, five and seven months after service of this rate notice.

The Rates shown on this notice will be due and payable on the expiration of one month after the date of service of this notice, unless within that month you elect to pay by instalments. Notice to pay the rates is hereby given, and if such payment is not made, or where instalments are not paid by the due dates, proceedings will be taken for the recovery of the whole amount due, as provided by the Act.

Attention is drawn to the provisions of Section 158 of the Act, which provides for an extra charge on overdue rates.

When the service is by post, the date of service is the day when the notice should be delivered in the normal course of post.

Payment of rates must be paid at an office of Council and when paid by post, should where practicable, be made by cheque, money or postal order.

Cheques accepted subject to collection.

No change will be given for any cheques tendered for payment of rates.

SHIRE CLERK

APPEALS AGAINST VALUATIONS SEE OVER

The minimum amount of the rate notice which must be paid by 31st March is

1. $28.75
2. $40.00
3. $75.00
4. $115.00

C8-

The payment of these rates permits the Shire of Mittagong to provide

1. schools.
2. libraries.
3. main roads.
4. sickness benefits.

C83

If arrears were included this would

1. increase the amount to be paid.
2. reduce the amount to be paid.
3. mean that all past rates have been paid.
4. mean that garbage costs have risen.

C84

The payment of these rates

1. may be paid by instalments.
2. must be paid at the end of the financial year.
3. must be paid by post.
4. must be paid this year.

C85

Question (C86) is based on the table below.

BUYER'S SOLICITOR'S FEES

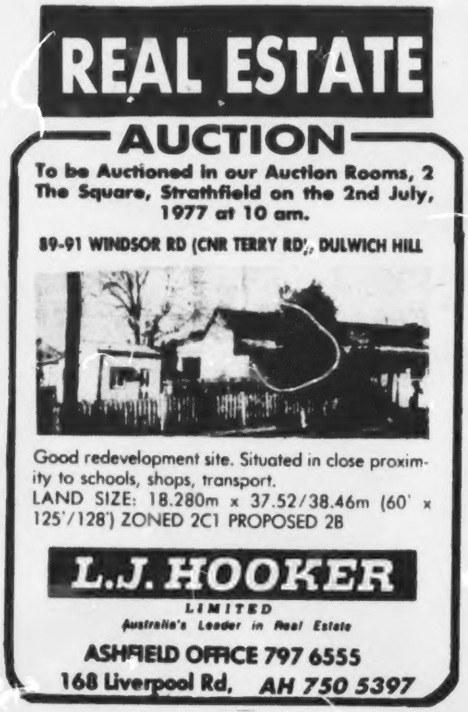
SIZE OF TRANSACTION	GENERAL LAW CROWN LAND	TORRENS TITLE	STRATA TITLE
$24 000	$490.80	$274.40	$307.20
$28 000	$532.40	$293.60	$328.00
$32 000	$574.00	$312.80	$348.80
$36 000	$615.60	$332.00	$369.60

According to the table, buyer's solicitor's fees

1. decrease as the size of transaction increases.
2. increase as the size of transaction increases.
3. are greater for Torrens Title than Strata Title at the same transaction level.
4. are less for Crown Land than Strata Title at the same transaction level.

C86

Questions to (C87 to C90) are based on the advertisement below.



REAL ESTATE

AUCTION

To be Auctioned in our Auction Rooms, 2 The Square, Strathfield on the 2nd July, 1977 at 10 am.

89-91 WINDSOR RD (CNR TERRY RD), DULWICH HILL

Good redevelopment site. Situated in close proximity to schools, shops, transport.
LAND SIZE: 18.280m x 37.52/38.46m (60' x 125'/128') ZONED 2C1 PROPOSED 2B

L.J. HOOKER
LIMITED
Australia's Leader in Real Estate
ASHFIELD OFFICE 797 6555
168 Liverpool Rd, ***AH 750 5397***

This advertisement is best described as

1. persuasive.
2. informative.
3. emotional.
4. hard sell.

C87

L.J. Hooker Ltd. is the

1. owner of the property.
2. solicitor acting for the buyer of the property.
3. solicitor acting for the owner of the property.
4. agent for the vendor of the property.

C88

The lowest price acceptable by the owner on this property is commonly known as the

1. Valuer General's price.
2. buyer's price.
3. reserve price.
4. sales price.

C89

If the property is sold, L.J. Hooker would most likely get a

1. dividend.
2. stipend.
3. commission.
4. interest.

C90

Question (C91) is based on the information below.

(a)	rent	(d)	wages
(b)	food	(e)	income from interest
(c)	clothing	(f)	savings

To construct a proper budget the consumer can only use items

1. (d) and (e)
2. (a), (b), (c), (d), (f).
3. (a), (b), (c), (d), (e).
4. (a), (b), (c), (d), (e), (f).

C91

To construct a proper budget the consumer must list

1. expenses and income.
2. only his income from wages.
3. only savings and investments.
4. savings and income.

C92

Questions and (C93 and C94) refer to the information below.

P Smith is a trainee nurse, and earns $40 a week after tax. She is provided with free board.

She plans to spend her income on

Outings	$3.00
Magazines	1.00
Cosmetics	4.00
Clothing	5.00
Charity	1.00

and she plans for her savings to be

General	$4.00
for Holidays	6.00

This plan is referred to as a

1. balance sheet.
2. bank statement.
3. budget.
4. revenue statement.

C93

The percentage of income P. Smith saves is

1. 10%
2. 25%
3. 30%
4. 40%

C94

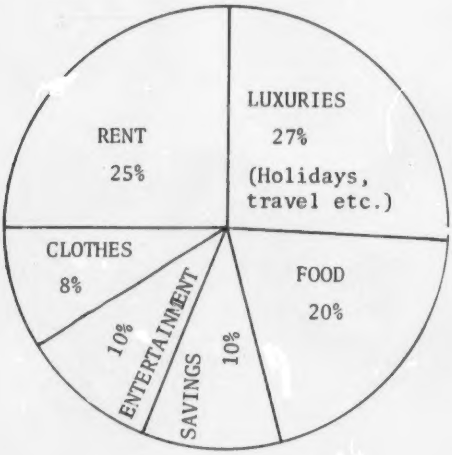
In a family budget, spending plus savings must be equal to

1. regular expenditure.
2. gross income less income tax.
3. taxable income.
4. weekly living costs.

C95

Questions and (C96 and C97) are based on the graph below.

COMPOSITION OF FAMILY EXPENDITURE



The percentage of the above family's budget which is spent on basic needs is

1. 28%
2. 45%
3. 53%
4. 65%

C96

If the weekly income of the family was $200.00 the amount they would save each week would be

1. $10.00
2. $20.00
3. $30.00
4. $40.00

C97

If pensions were doubled this would appear in the Government budget as an increase in

1. unemployment benefits.
2. social security.
3. public services.
4. health.

C98

Questions and (C99 and C100) refer to the information below.

Each week, Jane Saunders earns $100 which is allocated in the following manner.

ITEM	EXPENDITURE (Weekly)
Food	$ 20
Clothing	10
Rent	30
Credit Payments	30
Miscellaneous	5
Savings	5
	$100

Jane is thinking about purchasing a colour T.V. set on credit. Repayments to be paid from weekly income would be $5 per week for 4 years.
If she followed generally accepted guidelines to wise budgeting she would

1. undertake the purchase because it seems like a bargain.
2. undertake the purchase because savings are available to meet repayments.
3. refrain from the purchase because she would not be providing for unforeseen expenses.
4. refrain from the purchase because inflation is expected to continue.

C99

Jane's food bill increased by $2 per week. This would most likely be met by reducing

1. credit payments because they are flexible.
2. savings because they are not fixed.
3. rent payments now and paying more in the future.
4. the amount of tax taken out of wages.

C100

In a family budget an item which is NOT an expenditure is

1. loan repayment to a building society.
2. local government rates.
3. child endowment.
4. life insurance premium.

C101

Questions to (C102 to C104) are based on the details of John Jones' expected income and Expenditure below.

EXPENDITURE

Hire purchase repayments	$ 20 per month
Rent	30 per week
Clothing	10 per week
Car maintenance/running expenses	15 per week
Registration/insurance	520 per annum
Miscellaneous	30 per week

INCOME

Wage (Weekly)	$130

A weekly budget compiled from the above information would show that each week John Jones could save

1. $15
2. $20
3. $25
4. $30

C102

If John Jones' weekly wage was reduced by $10, to balance his budget he would most likely

1. stop hire purchase repayments.
2. reduce his level of savings.
3. discontinue car insurance.
4. defer payment of rent.

C103

In John Jones' budget, expenditure items regarded as fixed for some time would be

1. hire purchase repayments and motor vehicle registration.
2. hire purchase repayments and clothing.
3. car maintenance and clothing.
4. motor vehicle registration and car maintenance.

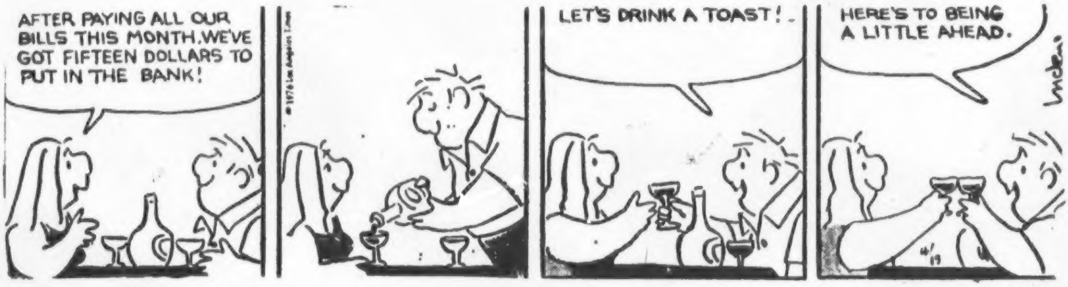
C104

A family budget is usually a statement showing

1. the sum total of all income received by the family.
2. expected income and a plan for using it.
3. family receipts and payments for a period.
4. bills that must be paid by the family within a certain time.

C105

Question (C106) is based on the cartoon below.


AFTER PAYING ALL OUR BILLS THIS MONTH, WE'VE GOT FIFTEEN DOLLARS TO PUT IN THE BANK!
LET'S DRINK A TOAST!
HERE'S TO BEING A LITTLE AHEAD.
4/19

The achievement illustrated in the above cartoon is likely to be the result of

1. buying on credit.
2. cyclical billing.
3. budgeting.
4. banking.

C106

The main advantage to be gained from compiling a household budget is that it

1. ensures accounts being paid on time.
2. is essential when filling in an income tax return.
3. gives the family more money to spend.
4. aids in the allocation of household income.

C107

Putting aside part of your income each week for future use is called

1. saving.
2. subsistence.
3. investing
4. consuming.

C108

In a family budget expenses usually regarded as fixed for some time would include

1. clothing expenses and electricity charges.
2. life assurance payments and car repayments.
3. electricity charges and newspaper costs.
4. life assurance payments and entertainment costs.

C109

In their family budget the Grant family plans to spend less than their income. The remainder is a

1. deficit.
2. rebate.
3. bonus.
4. surplus.

C110

A consumer protection organisation operated by private individuals is the

1. Australian Consumers Association.
2. Chamber of Commerce.
3. Consumer Affairs Bureau.
4. Australian Standards Association.

C111

A Corporation that breaks the law relating to consumer protection is liable to be

1. fined.
2. declared bankrupt.
3. banned from selling.
4. liquidated.

C112

The N.S.W. State Government's instrumentality for consumer protection is

1. Choice Magazine.
2. the Consumer Affairs Bureau.
3. the Conciliation and Arbitration Commission.
4. the Public Service Board.

C113

Questions and (C114 and C115) are based on the information below.

HI-FI - HAPPINESS

STEREO UNIT

FULLY GUARANTEED

$260

FINANCE ARRANGED FROM $40 WEEK
BUY NOW STOCKS RUNNING OUT

HI-FI 45 RECORD LANE KINGS CROSS

If Hi-Fi Happiness failed to fulfil guaranteed commitments you could seek redress from the

1. police.
2. consumer claims tribunal.
3. consumer association.
4. ombudsman.

C114

The responsibility for the accuracy of this advertisement belongs to

1. the newspaper.
2. the consumer.
3. Hi-Fi Happiness.
4. consumer affairs bureau.

C115

If you were involved in a dispute over the purchase of a good you could appeal to the

1. Consumer Claims Tribunal.
2. Prices Justification Tribunal.
3. Arbitration Commission.
4. Industrial Assistance Commission.

C116

An ombudsman is a person employed by a government to investigate grievances by individuals against

1. the action of foreign governments.
2. government actions.
3. unfair business practises.
4. illegal strikes.

C117

FINANCE

PERSONAL FINANCE	F1 - F32
SAVINGS AND INVESTING	F33 - F82
BANKING SYSTEMS	F83 - F92
COMPANY FINANCE	F93 - F113
GOVERNMENT FINANCE	F114 - F132
FINANCE IN THE AUSTRALIAN ECONOMY	F133 - F136

FINANCE

Question No.	Answer	Question No.	Answer
F1	3	F41	2
F2	3	F42	3
F3	1	F43	1
F4	3	F44	4
F5	1	F45	3
F6	1	F46	1
F7	1	F47	4
F8	2	F48	1
F9	2	F49	2
F10	3	F50	1
F11	2	F51	3
F12	2	F52	3
F13	2	F53	1
F14	1	F54	3
F15	4	F55	3
F16	1	F56	3
F17	2	F57	2
F18	3	F58	4
F19	1	F59	3
F20	2	F60	3
F21	2	F61	2
F22	1	F62	2
F23	4	F63	2
F24	2	F64	1
F25	3	F65	1
F26	4	F66	1
F27	1	F67	3
F28	3	F68	1
F29	2	F69	2
F30	3	F70	1
F31	2	F71	3
F32	2	F72	3
F33	3	F73	4
F34	3	F74	1
F35	2	F75	2
F36	1	F76	1
F37	3	F77	1
F38	2	F78	4
F39	2	F79	4
F40	3	F80	2

FINANCE

Question No.	Answer	Question No.	Answer
F81	2	F109	1
F82	3	F110	3
F83	3	F111	2
F84	3	F112	2
F85	4	F113	4
F86	1	F114	2
F87	1	F115	1
F88	2	F116	1
F89	3	F117	2
F90	3	F118	2
F91	2	F119	1
F92	2	F120	4
F93	2	F121	1
F94	2	F122	4
F95	1	F123	2
F96	3	F124	1
F97	3	F125	4
F98	2	F126	3
F99	2	F127	1
F100	3	F128	2
F101	1	F129	2
F102	3	F130	3
F103	4	F131	2
F104	1	F132	4
F105	4	F133	3
F106	4	F134	4
F107	2	F135	1
F108	3	F136	3

Questions to (F1 to F4) are based on the following information

FINDING FINANCE FOR A HOME

SAVINGS BANKS	MAXIMUM VALUATION	REPAYMENT	QUALIFICATION NEEDED	MAXIMUM PERIOD YEARS	REMARKS
COMMONWEALTH Up to $12 500 at 9¼pc $20 000 at 10¼pc Over at 10½pc	75pc Bank's Valuation	Approx. 30pc gross income of prime breadwinner.	$2 000 deposit for loan up to $12 500; $4 000 deposit over that amount.	25	Each loan considered on merit. Will allow 95pc of valuation if insured.
BANK OF NSW Up to $10 000 at 9½pc $15 000 at 10¼pc Over at 10½pc	70-75pc Bank's Valuation	Approx. 1 week's gross earnings per month.	No particular qualification.	25	Each loan considered on merit. Will lend more than 75pc in certain circumstances.
PERMANENT BUILDING SOCIETIES					
NSW Up to $25 000 at 11pc $40 000 at 11½pc Over at 12pc	90pc	One week's gross earnings per month plus one third wife's salary.	Preference savers with six-month record.	25	Loans in excess of 75pc (70pc for strata titles) or $50 000 to be insured.
ST GEORGE Up to $30 000 at 11pc Over at 12pc	75pc	Vary. Usually one week's gross earnings per month. Allowance for wife's earnings.	No particular requirement but savers have preference.	25	Mortgage loan 95pc if insured.
INSURANCE COMPANIES					
PRU No limit at 12pc	65pc of Valuation	Based on ability to repay.	Loans restricted to existing policy holders.	20	Loan must be secured by life assurance policy. Longer terms and higher valuations in certain circumstances.
AMP Up to $40 000 at 11½pc	70pc of Valuation	Based on ability to repay.	No particular qualification.	25	Loan must be secured by Life Assurance Policy.
FINANCE COMPANIES					
FINANCE CORPORATION OF AUSTRALIA First Mortgage (new home) No limit at 16pc	90pc	Based on ability to repay.	No qualification.	15	Interest rate varies slightly between States. Term extended to 20 years in some cases.
First Mortgage (existing home) No limit at 16pc	85pc	do	do	do	No variation in interest rates throughout period of loan.
Vacant land No limit at 16pc	90pc	do	do	10	
Second Mortgage No limit at 16pc	90pc	do	do	15	
Bridging Finance No limit at 16pc	90pc	do	do	1	

A loan to a couple from the St. George Building Society will be secured by

1. guarantee.
2. hire purchase agreement.
3. mortgage.
4. bill of sale.

F1

A couple would be unable to secure a loan from the Commonwealth Bank if they did not have a

1. life assurance policy.
2. Home Savings account.
3. deposit between $2000 and $4000.
4. joint account.

F2

A home loan of $12 000 would be least expensive from the

1. Commonwealth Bank.
2. Finance Corporation of Australia.
3. Bank of N.S.W.
4. St. George Building Society.

F3

The most common source of finance for the purchase of a home is a

1. trading bank.
2. life assurance company.
3. savings bank.
4. finance company.

F4

Question (F5) is based on the information below.

LOAN
$500
10% INTEREST p.a.
REPAYABLE OVER
2 YEARS

Alan Brown borrowed $500 on the terms shown above. If he paid the lender $600 over two years he would pay

1. a flat rate of interest.
2. a reducible rate of interest.
3. compound interest.
4. optimum interest.

F5

A person could enter into a Hire Purchase agreement to buy

1. a colour television set.
2. a house.
3. weekly groceries.
4. a ticket for a world trip.

F6

John Brown arranged a loan from his bank for $1 000 to buy a car. His father accepted responsibility in the event of non-repayment.
Mr. Brown senior would be called a

1. guarantor.
2. debtor.
3. trustee.
4. mortgagor.

F7

When buying goods on credit, possession but not ownership is obtained by using

1. lay-by.
2. hire purchase.
3. a bankcard.
4. a charge account (30 days).

F8

Credit for the purchase of a car can most easily be obtained from a

1. Savings Bank.
2. Finance Company.
3. Reserve Bank.
4. Life Assurance Company.

F9

The type of credit purchase most likely used to buy a car would be

1. bankcard.
2. charge account.
3. hire purchase.
4. lay-by.

F10

Questions and (F11 and F12) refer to the advertisement below.

BUY YOUR OWN
STEREO SOUND SYSTEM
FOR ONLY
$500

PAY NO DEPOSIT
AND ONLY
$100 PER YEAR

Interest is only 10%
reducible per year

The interest you would pay for the first year would be

1. $10.
2. $50.
3. $100.
4. $150.

F11

If $100 deposit was paid this would

1. increase total repayments.
2. decrease total repayments.
3. increase the rate of interest.
4. decrease the rate of interest.

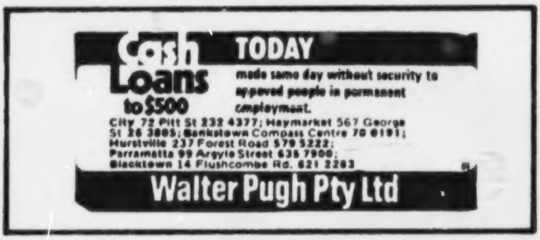
F12

The cheapest method of financing a new car is to

1. borrow from a building society.
2. borrow from the bank.
3. use hire purchase.
4. borrow from a finance company.

F13

Questions and (F14 and F15) refer to the information below.



Cash Loans to $500 **TODAY**

made same day without security to approved people in permanent employment.

City 72 Pitt St 232 4377; Haymarket 567 George St 26 3805; Bankstown Compass Centre 70 0191; Hurstville 237 Forest Road 579 5222; Parramatta 99 Argyle Street 635 7900; Blacktown 14 Flushcombe Rd. 621 2283

Walter Pugh Pty Ltd

"Mirror", 6th July 1977.

These types of loans are usually obtained by people who

1. have poor credit ratings.
2. are seeking a low interest loan.
3. own substantial assets.
4. need large amounts of money quickly.

F14

Borrowing from such a financial institution means that

1. a lower rate of interest is paid.
2. a mortgage is necessary.
3. they are more efficient than other institutions.
4. employment provides enough security to gain the loan.

F15

The major source of finance for home buying would be

1. savings banks.
2. personal loans.
3. hire purchase.
4. trading banks.

F16

The lowest rate of interest for a home loan is available from a

1. bank overdraft.
2. savings bank.
3. finance company.
4. permanent building society.

F17

Questions to (F18 to F20) refer to the Monthly Repayments Schedule below.

PERMANENT BUILDING SOCIETY
MONTHLY REPAYMENT SCHEDULE
INTEREST RATE 8% MONTHLY REDUCIBLE

Advance	10 years	20 years	30 years
$ 8 000	$ 97	$ 76	$ 58
$12 000	$194	$152	$116

Your monthly repayments will be greatest if you borrow

1. $8 000 for 10 years.
2. $8 000 for 30 years.
3. $12 000 for 10 years.
4. $12 000 for 20 years.

F18

Over a period of time, the interest rate charged would

1. remain the same.
2. greatly increase.
3. decrease gradually.
4. change monthly.

F19

The interest paid on a loan of $8000 over 10 years would be

1. $970.
2. $3 640.
3. $8 097.
4. $11 640

F20

A person who owes money is termed as a

1. creditor.
2. debtor.
3. partner.
4. retailer.

F21

Questions to (F22 to F24) refer to the information below.

	CREDIT UNIONS	BANKS	MOTORING ORGANISATIONS	FINANCE COMPANIES
Borrowed :	$4 459.70	$4 459.70	$4 459.70	$4 459.70
Terms :	42 months	42 months	42 months	42 months
Rate:	13% reducible	8.25% flat	9% flat	11% flat
Payable Monthly :	$136.15	$139.91	$142.76	$150.35
Total :	$5 718.30	$5 876.22	$5 995.92	$6 314.70
Total Interest :	$1 258.60	$1 416.52	$1 436.22	$1 755.00

The above figures relate to borrowing on a car the amount of $4 459.70 from different financial institutions. Approximations of most-used rates and terms of the credit organisations close as at April 1976.

The lowest rate of interest is offered by

1. credit unions.
2. banks.
3. motoring organisations.
4. finance companies.

F22

If you borrowed to buy the car you would pay the most interest to

1. credit unions.
2. banks.
3. motoring organisations.
4. finance companies.

F23

When borrowing from a motoring organisation, the amount of interest paid at the end of the first year would be between

1. $100 - $200.
2. $400 - $500.
3. $1 400 - $1 500.
4. $5 000 - $6 000

F24

Questions to (F25 to F28) refer to the information below.

LIFE POLICIES ARE VALUABLE ASSETS

Where a loan is made on a mortage of real estate, whole of life, endowment assurance and term policies may be used as collateral security. Then, if the borrower dies before the mortgage is repaid, and the collateral is sufficient, the life office pays the amount still owing and the mortgage is discharged without delay.

Life assurance policies are regarded as valuable assets because they

1. can be discharged without delay.
2. are mortgage documents.
3. may be used to secure a loan.
4. are proof of ownership of real estate.

F25

The term "collateral" refers to

1. protection of policy holders' interests.
2. fees paid to real estate agents.
3. value of property at maturity.
4. security given for a loan.

F26

A mortgage contract involves

1. giving a charge over property as security for loan repayment.
2. an undertaking to pay premiums regularly.
3. agreeing to surrender a life assurance policy.
4. giving an option to buying real estate.

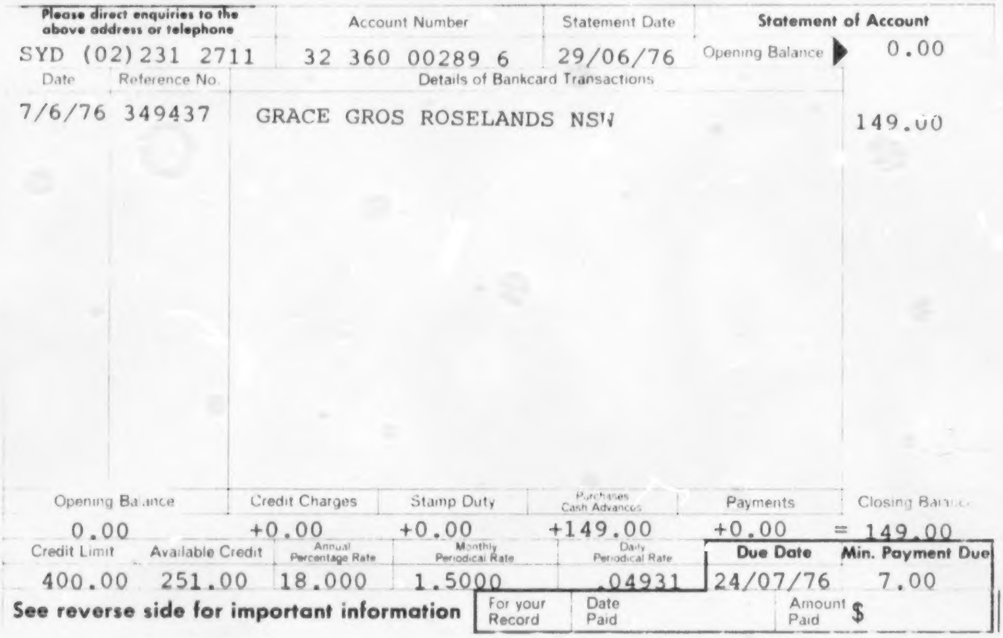
F27

A mortgage is discharged when a

1. loan is made for the purchase of property.
2. life policy is issued.
3. loan is repaid with interest.
4. contract to sell real estate is signed.

F28

Questions to (F29 to F31) are based on the bankcard statement below.



Please direct enquiries to the above address or telephone	Account Number	Statement Date	**Statement of Account**
SYD (02)231 2711	32 360 00289 6	29/06/76	Opening Balance ▶ 0.00

Date	Reference No.	Details of Bankcard Transactions	
7/6/76	349437	GRACE GROS ROSELANDS NSW	149.00

Opening Balance	Credit Charges	Stamp Duty	Purchases Cash Advances	Payments	Closing Ba
0.00	+0.00	+0.00	+149.00	+0.00	= 149.00

Credit Limit	Available Credit	Annual Percentage Rate	Monthly Periodical Rate	Daily Periodical Rate	**Due Date**	**Min. Payment Due**
400.00	251.00	18.000	1.5000	.04931	24/07/76	7.00

See reverse side for important information

For your Record	Date Paid	Amount Paid $

The above statement of account shows a

1. credit balance of $149.00.
2. purchase for $149.00
3. charge for interest as 1.5% p.a.
4. cash advance of $149.00.

F29

The owner of the bankcard would pay the amount owing to

1. Grace Bros. Roselands.
2. Bankcard Finance Company.
3. a specific bank.
4. any bank.

F30

If the person does not make full payment on a bankcard statement within the specified period, then the rate of interest charged per month is

1. nil.
2. 1.5%.
3. 3.75%.
4. 5%.

F31

A trading bank current account is a useful aid to budgeting because it

1. costs nothing to operate.
2. provides a record of expenditure.
3. earns a reasonable rate of interest.
4. prevents overspending.

F32

An important function of a savings bank is to provide

1. loans for business firms.
2. overdrafts for individuals.
3. loans for housing.
4. personal loans.

F33

An overdraft is a loan from a

1. building society.
2. credit union.
3. trading bank.
4. finance company.

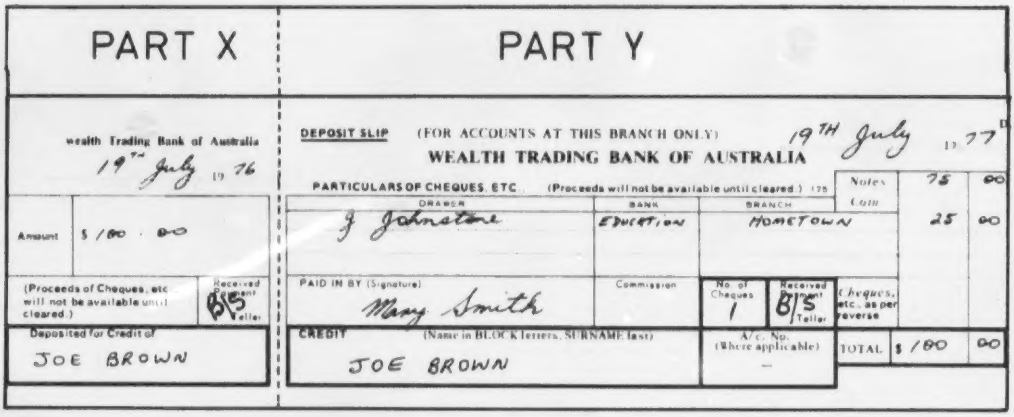
F34

Cheque accounts for private individuals are provided by

1. Savings Banks.
2. Tradings Banks.
3. Merchant Banks.
4. Reserve Banks.

F35

Questions to (F36 to F38) refer to the following document.



PART X

wealth Trading Bank of Australia
19th July 19 76

Amount $ 100 . 00

(Proceeds of Cheques, etc will not be available until cleared.)

Received Payment B/S Teller

Deposited for Credit of
JOE BROWN

PART Y

DEPOSIT SLIP (FOR ACCOUNTS AT THIS BRANCH ONLY) 19TH July 19 77 D.2

WEALTH TRADING BANK OF AUSTRALIA

PARTICULARS OF CHEQUES, ETC (Proceeds will not be available until cleared.) 175

DRAWER	BANK	BRANCH			
J Johnstone	EDUCATION	HOMETOWN	Notes	75	00
			Coin	25	00

PAID IN BY (Signature) Mary Smith

Commission

No. of Cheques 1

Received Payment B/S Teller

Cheques, etc., as per reverse

CREDIT (Name in BLOCK letters, SURNAME last) JOE BROWN

A/c. No. (Where applicable) —

TOTAL $ 100 00

The above document is used when

1. money is deposited in a bank account.
2. money is withdrawn from a bank account.
3. a bank account is required.
4. a cheque is cashed at a bank.

F36

Part X of the above document should be kept by

1. the Bank of Education (Hometown Branch).
2. Mary Smith.
3. Joe Brown.
4. J. Johnstone.

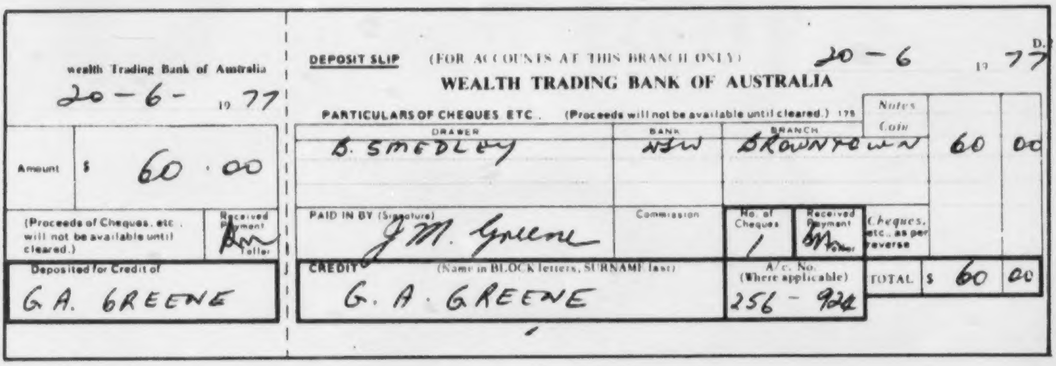
F37

The effect of the transaction on Joe Brown's bank statement could be an increase in

1. a debit balance.
2. a credit balance.
3. a bank overdraft.
4. interest payable.

F38

Questions to (F39 to F42) refer to the document below.



wealth Trading Bank of Australia
20-6- 19 77
Amount $ 60 · 00
(Proceeds of Cheques, etc., will not be available until cleared.)
Received Payment Teller
Deposited for Credit of
G.A. GREENE

DEPOSIT SLIP (FOR ACCOUNTS AT THIS BRANCH ONLY) 20-6 19 77 D.
WEALTH TRADING BANK OF AUSTRALIA
PARTICULARS OF CHEQUES ETC. (Proceeds will not be available until cleared.) 178

DRAWER	BANK	BRANCH	Notes Coin		
B. SMEDLEY	NSW	BROWNTOWN		60	00

PAID IN BY (Signature) J.M. Greene
Commission
No. of Cheques 1
Received Payment Teller
Cheques, etc., as per reverse
CREDIT (Name in BLOCK letters, SURNAME last) G. A. GREENE
A/c. No. (Where applicable) 256 - 924
TOTAL $ 60 00

The total shown on the above document would be credited to the account of

1. J.M. Greene.
2. G.A. Greene.
3. B. Smedley.
4. Bank of New South Wales.

F39

The total shown on the above document would be shown as a

1. debit entry in G.A. Greene's account.
2. credit entry in J.M. Greene's account.
3. debit entry in B. Smedley's account.
4. credit entry in Bank of New South Wales account.

F40

Cheque accounts are most frequently kept at a

1. Savings Bank.
2. Trading Bank.
3. Building Society.
4. Reserve Bank.

F41

The type of account involved is a

1. savings account.
2. interest bearing deposit account.
3. current account.
4. investment savings account.

F42

Savings Banks

1. mobilise large sums from small depositors.
2. provide depositors with the highest rate of interest.
3. provide depositors with charge account facilities.
4. provide funds for industrial expansion.

F43

Credit Unions give

1. credit to members of Trade Unions.
2. credit ratings for persons buying on credit.
3. loans, free of interest, to selected members.
4. loans to members and accept deposits.

F44

Questions to (F45 - F47) refer to the table shown below.

Type of Investment	% interest rate per year	Minimum Deposits	Withdrawal Arrangements
*Savings Bank - savings account up to $6 000	3½	-	immediate
- savings account over $6 000	6	-	immediate
- Investment Account	9	$100 000	1 mths. notice after initial 3 mths.
*Permanent Building Society Investment Account	10	$1	cheque on same day.
*Semi-Government Loans 4 years 7 years 10 years	9.2 9.8 9.9	$200 $300 $500	Loan issues are listed on the Stock Exchange and can be sold before maturity through a stockbroker.

A person wishing to invest $10,000 for 12 months, will get the greatest return if he invests in a

1. Savings Bank Investment account.
2. Savings Bank Savings account.
3. Permanent Building Society.
4. Semi-Government Loan.

F45

The investment which can most easily be turned into cash is a

1. Savings Bank Savings account.
2. Savings Bank Investment account.
3. Permanent Building Society Investment account.
4. Semi-Government Loan account (7 years).

F46

An investment of $10 000 in Semi-Government Loans for 10 years would yield a total interest of

1. $990.
2. $9200.
3. $9800.
4. $9900.

F47

Questions to (F48 to F50) refer to the information below.

Waugh and Josephson Ltd., the Caterpillar Tractor Group, plans to raise $880 617 through a premium issue of 50¢ ordinary shares.

The issue, which will involve 1 174 156 shares at a premium of 25¢ each will be on the basis of one-for-eight held on May 20. The new shares are payable in full on application by June 15.

Directors say they expect to maintain the current 10¢ a share dividend on the higher capital.

The issue, underwritten by Martin Corporation Ltd., will lift paid capital to $5.25 million and add $293 539 to share premium reserve.

Waugh and Josephson Ltd. shares are planned to be sold (issued) at

1. 25 cents above their face value.
2. 25 cents below their face value.
3. 50 cents above their face value.
4. 50 cents below their face value.

F48

If you held 40 shares in Waugh and Josephson Ltd. you could be permitted to buy

1. 1 new share.
2. 5 new shares.
3. 8 new shares.
4. 40 new shares.

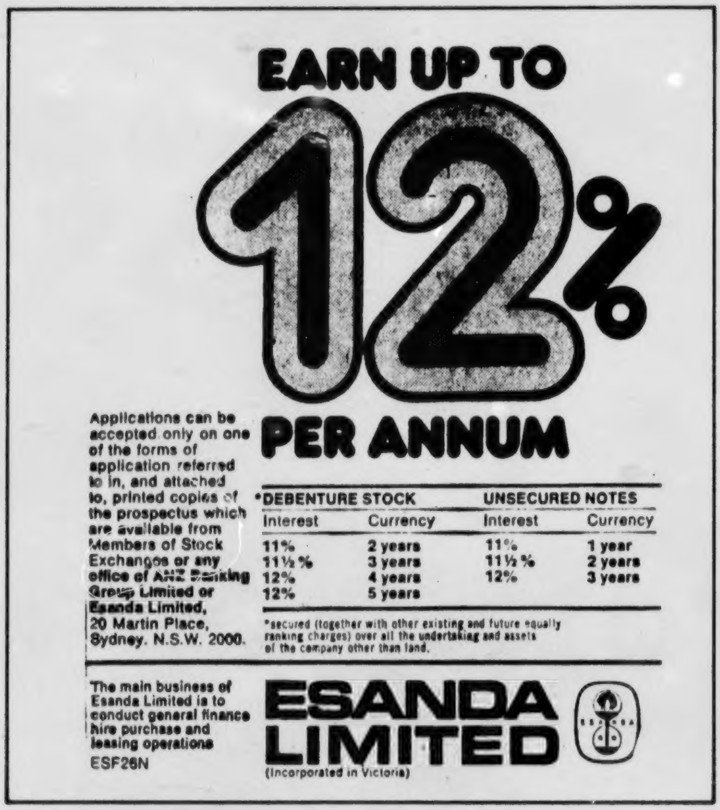
F49

The expected dividend on a 50 cent ordinary share will be

1. 10 cents.
2. 25 cents.
3. 50 cents.
4. 75 cents.

F50

Questions and (F51 and F52) are based on the information below.



EARN UP TO 12% PER ANNUM

Applications can be accepted only on one of the forms of application referred to in, and attached to, printed copies of the prospectus which are available from Members of Stock Exchanges or any office of ANZ Banking Group Limited or Esanda Limited, 20 Martin Place, Sydney. N.S.W. 2000.

*DEBENTURE STOCK		UNSECURED NOTES	
Interest	Currency	Interest	Currency
11%	2 years	11%	1 year
11½%	3 years	11½%	2 years
12%	4 years	12%	3 years
12%	5 years		

*secured (together with other existing and future equally ranking charges) over all the undertaking and assets of the company other than land.

The main business of Esanda Limited is to conduct general finance hire purchase and leasing operations

ESF26N

ESANDA LIMITED

(Incorporated in Victoria)

Debentures differ from unsecured notes in that they

1. earn a higher rate of interest.
2. earn a rate of interest which depends on profit.
3. are secured against assets of the company.
4. are not secured against the assets of a company.

F51

Debenture stock and unsecured notes are

1. types of shares.
2. mortgages.
3. loans to companies.
4. bills of sale.

F52

Questions to (F53 to F59) refer to the information below.

NEW RATES

BENEFICIAL FINANCE
CORPORATION LIMITED

INTEREST UP TO

12%

per annum

PAID QUARTERLY

An issue of First Charge -
Debenture Stock and
Unsecured Deposit Notes

FIRST CHARGE DEBENTURE STOCK

5 years	4 years	3 years	2 years	1 year	9 mths.	6 mths
12.50%	12.50%	12.25%	12.00%	11.25%	10.50%	9.75%

UNSECURED DEPOSIT NOTES

Adjustable Term

3 years
12.25%

Fixed Term

9 mths	6 mths.
11.25%	10.50%

Applications will only be accepted on the printed form attached to the Prospectus.

PROSPECTUS available from:

Underwriters - J.B. Were & Son
(Members of the Stock Exchange of Melbourne Limited)
All members of the Stock Exchange
All branches of
The National Bank of Australasia Ltd
Rural Bank of N.S.W., The State Bank of S.A.
The Savings Bank of South Australia
The Rural & Industries Bank of W.A
& Beneficial Finance Corporation Ltd

Some investors in Beneficial Finance prefer debenture stock to notes because they provide

1. a greater security to investors.
2. a higher return but with a greater risk involved.
3. a personal income tax deduction.
4. the right to vote for company directors.

F53

If a person invests $1000 for 2 years in debenture stock the return to the debenture holder will be

1. $1125.00
2. $1225.00
3. $1240.00
4. $1250.00

F54

J.B. Were & Son are working for Beneficial Finance as

1. insurance brokers.
2. stock brokers.
3. brokers who guarantee new issues.
4. the liquidators of the company.

F55

A fixed term investment is one in which

1. you invest a set amount of money.
2. interest rates are not a consideration.
3. your money is committed for a set time.
4. interest rates are fixed by the government.

F56

A prospectus is

1. an invitation to the underwriters to subscribe to Beneficial Finance.
2. a brochure about the activities of Beneficial Finance.
3. a booklet setting out details of the stock exchange.
4. an issue of Beneficial Finance Bonds.

F57

Unsecured Notes, compared with debentures, offer

1. a greater security to the investor.
2. a higher return at no extra risk.
3. first payment if the company goes bankrupt.
4. a higher return due to a greater risk.

F58

Brokerage is

1. the selling of shares on the Stock Exchange.
2. insurance cover for shares.
3. a fee for the buying and selling of shares.
4. a payment to the Stock Exchange.

F59

Questions and (F60 and F61) are based on the following table.

COMPANY	PAR VALUE	BUYER	SELLER	LAST SALE	DIV %	YIELD %
A	50¢	1.00	1.10	1.00	20	10
B	1.00	1.00	1.20	1.10	11	?
C	2.00	1.40	1.60	1.50	6	8

The yield to an investor in Company B is

1. 6%
2. 8%
3. 10%
4. 15%

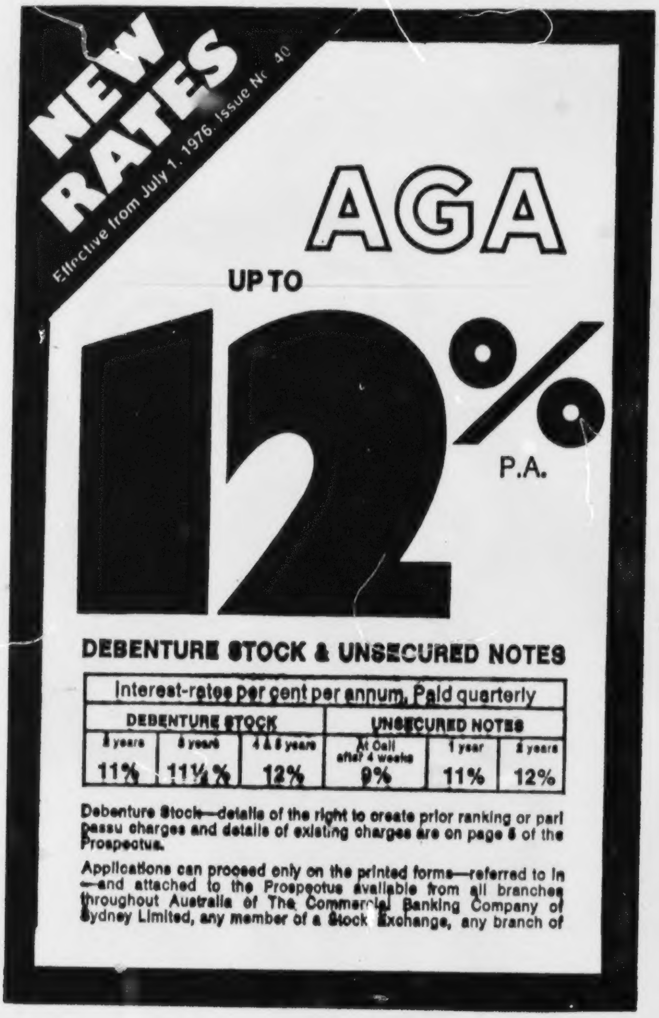
F60

The present market value of a share in Company C would most likely be

1. $1.40
2. $1.50
3. $1.60
4. $2.00

F61

Questions to (F62 to F65) relate to the following advertisement.



NEW RATES

Effective from July 1 1976. Issue No 40

AGA

UP TO

12% P.A.

DEBENTURE STOCK & UNSECURED NOTES

Interest-rates per cent per annum, Paid quarterly					
DEBENTURE STOCK			UNSECURED NOTES		
2 years	3 years	4 & 5 years	At Call after 4 weeks	1 year	2 years
11%	11½ %	12%	9%	11%	12%

Debenture Stock—details of the right to create prior ranking or pari passu charges and details of existing charges are on page 5 of the Prospectus.

Applications can proceed only on the printed forms—referred to in—and attached to the Prospectus available from all branches throughout Australia of The Commercial Banking Company of Sydney Limited, any member of a Stock Exchange, any branch of

If a person invested his savings for 2 years in debenture stock, the annual rate of interest earned on his investment would be

1. 5½%
2. 11%
3. 12%
4. 22%

F62

An individual invested $100.00 in unsecured notes for two years. At the end of the first three months interest earned would be

1. $2.75
2. $3.00
3. $11.00
4. $12.00

F63

Higher rates of interest on loans are associated with a

1. longer term and greater risk.
2. longer term and less risk.
3. shorter term and greater risk.
4. shorter term and less risk.

F64

Return on investment in any of the securities listed

1. is a fixed term.
2. varies with the company's profit.
3. depends on the state of the economy.
4. is declared annually by the Directors.

F65

Beads could be used as money if they were

1. generally acceptable in the community.
2. confined to primitive societies.
3. used only in limited amounts.
4. made smaller in size so they could be easily transported.

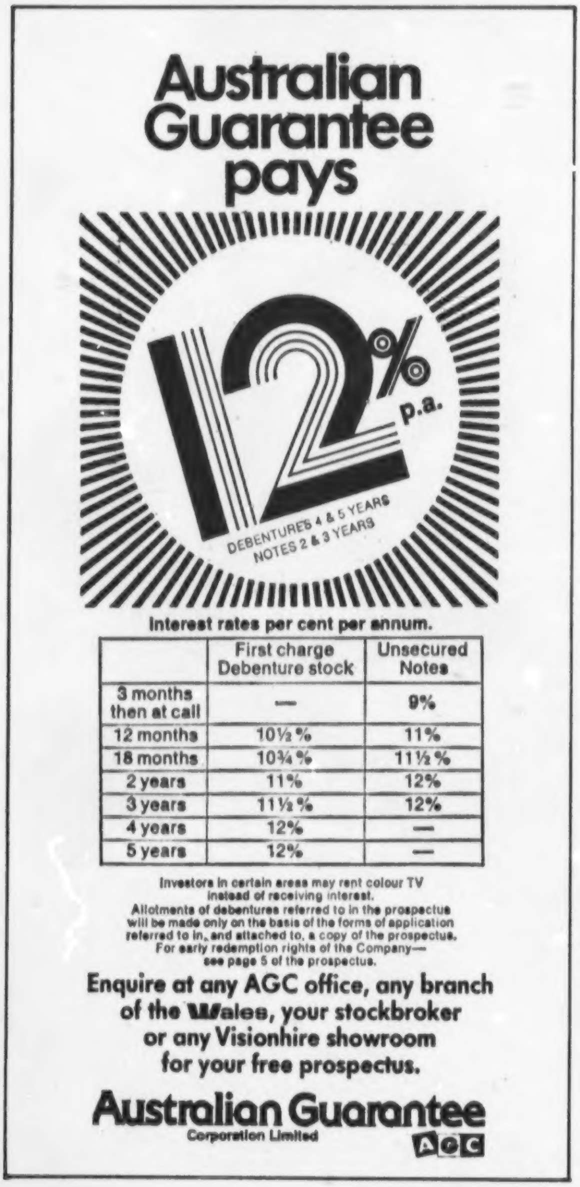
F66

The main function of money is that it

1. is accepted by banks in all countries.
2. can easily be carried by people in their pockets .
3. acts as a medium of exchange.
4. can easily be converted to U.S. dollars.

F67

Questions to (F68 to F70) refer to the newspaper advertisement below.



Australian Guarantee pays

12% p.a.

DEBENTURES 4 & 5 YEARS
NOTES 2 & 3 YEARS

Interest rates per cent per annum.

	First charge Debenture stock	Unsecured Notes
3 months then at call	—	9%
12 months	10½ %	11%
18 months	10¾ %	11½ %
2 years	11%	12%
3 years	11½ %	12%
4 years	12%	—
5 years	12%	—

Investors in certain areas may rent colour TV instead of receiving interest.
Allotments of debentures referred to in the prospectus will be made only on the basis of the forms of application referred to in, and attached to, a copy of the prospectus.
For early redemption rights of the Company—see page 5 of the prospectus.

Enquire at any AGC office, any branch of the Wales, your stockbroker or any Visionhire showroom for your free prospectus.

Australian Guarantee
Corporation Limited
AGC

An investment of $1000 in AGC Ltd. debenture stock for one year would yield interest of

1. $105.00
2. $107.00
3. $110.00
4. $120.00

F68

The greatest rate of interest which could be obtained by investing in debentures for 3 years is

1. 10½% per annum.
2. 11½% per annum.
3. 12% per annum.
4. 36% per annum.

F69

An investor having held his debentures for six months may cash them in

1. immediately.
2. at a month's notice.
3. at 2 month's notice.
4. at 3 month's notice.

F70

The major aim of a credit union is to

1. provide loans to the general public.
2. pay the highest possible dividend.
3. provide loans to members.
4. negotiate with employers.

F71

On the stock exchange

1. the price of shares is fixed by the government.
2. shares of private companies are bought and sold.
3. shares of public companies are bought and sold.
4. private individuals can directly buy and sell shares.

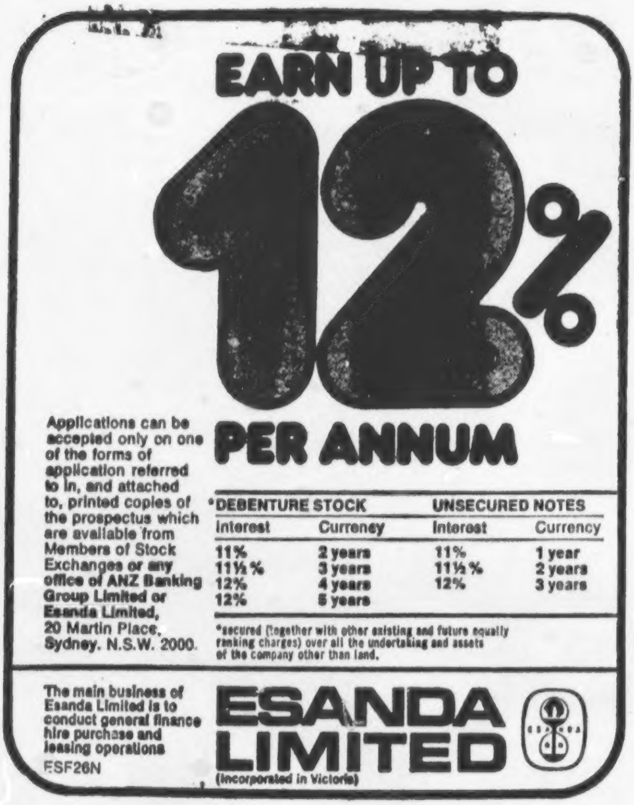
F72

The bank fee charged on a current account is payable to

1. the Resources Development Bank.
2. the Reserve Bank.
3. a savings bank.
4. a trading bank.

F73

Questions to (F74 to F76) refer to the advertisement below.



EARN UP TO

12%

PER ANNUM

Applications can be accepted only on one of the forms of application referred to in, and attached to, printed copies of the prospectus which are available from Members of Stock Exchanges or any office of ANZ Banking Group Limited or Esanda Limited, 20 Martin Place, Sydney. N.S.W. 2000.

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Interest	Currency	Interest	Currency
11%	2 years	11%	1 year
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12%	4 years	12%	3 years
12%	5 years		

*secured (together with other existing and future equally ranking charges) over all the undertaking and assets of the company other than land.

The main business of Esanda Limited is to conduct general finance hire purchase and leasing operations

ESF26N

ESANDA LIMITED

(Incorporated in Victoria)

The reason that unsecured notes have a higher interest rate than debenture stock is because they are

1. less secure and they have no asset-backing.
2. more secure and they have asset-backing.
3. held for a shorter period of time.
4. used for hire purchase and leasing operations.

F74

An investment of $100 in unsecured notes for 1 year would yield an interest of

1. $11.50
2. $11.00
3. $12.00
4. $111.00

F75

Debenture stock is also known as "secured" stock because

1. it is backed by the assets of the company.
2. it has a fixed and secure interest rate.
3. the money must remain in the country.
4. it cannot be returned for a long period of time.

F76

A large Australian financial institution is the

1. Commonwealth Trading Bank.
2. Chamber of Commerce.
3. Commonwealth Budget.
4. A.C.T.U.

F77

A financial institution formed by people with a common interest is a

1. group insurance company.
2. merchant bank.
3. permanent building society.
4. credit union.

F78

The drawer of a cheque is ALWAYS the

1. receiver of a cash amount from the bank.
2. person who signs the cheque.
3. bank where the account is held.
4. person ordering the bank to pay.

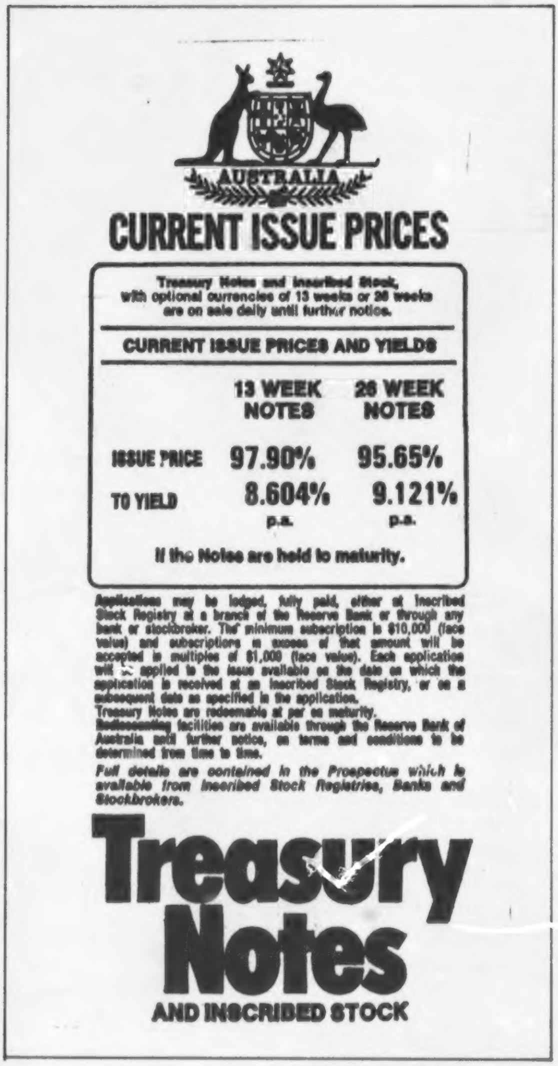
F79

For an investor least risk is associated with

1. preference shares.
2. savings bank accounts.
3. building society deposits.
4. debentures.

F80

Questions and (F81 and F82) are based on the following advertisement.



AUSTRALIA

CURRENT ISSUE PRICES

Treasury Notes and Inscribed Stock, with optional currencies of 13 weeks or 26 weeks are on sale daily until further notice.

CURRENT ISSUE PRICES AND YIELDS

	13 WEEK NOTES	26 WEEK NOTES
ISSUE PRICE	97.90%	95.65%
TO YIELD	8.604% p.a.	9.121% p.a.

If the Notes are held to maturity.

Applications may be lodged, fully paid, either at Inscribed Stock Registry at a branch of the Reserve Bank or through any bank or stockbroker. The minimum subscription is $10,000 (face value) and subscriptions in excess of that amount will be accepted in multiples of $1,000 (face value). Each application will be applied to the issue available on the date on which the application is received at an Inscribed Stock Registry, or on a subsequent date as specified in the application.
Treasury Notes are redeemable at par on maturity.
Rediscounting facilities are available through the Reserve Bank of Australia until further notice, on terms and conditions to be determined from time to time.

Full details are contained in the Prospectus which is available from Inscribed Stock Registries, Banks and Stockbrokers.

Treasury Notes

AND INSCRIBED STOCK

Treasury Notes are issued by the

1. Commonwealth Bank.
2. Reserve Bank.
3. Australian Government.
4. Banking system.

F81

Treasury Notes are mainly purchased by

1. small investors.
2. private individuals.
3. banks.
4. government departments.

F82

The major asset of a trading bank would be

1. liquid assets and government securities.
2. Statutory Reserve Deposits.
3. loans and investments.
4. cash reserves.

F83

Trading Banks differ from Savings Banks in that they

1. are financed through the sale of shares.
2. must hold a certain percentage of their deposits in the form of Government Securities.
3. must have a Statutory Reserve Deposit lodged with the Reserve Bank.
4. can control the activities of Savings Banks.

F84

Open market operations are

1. the normal daily transactions which occur in a market economy
2. attempts by firms to move into new markets.
3. the buying and selling of shares on the Stock Exchange.
4. the buying and selling of Government Bonds by the Reserve Bank.

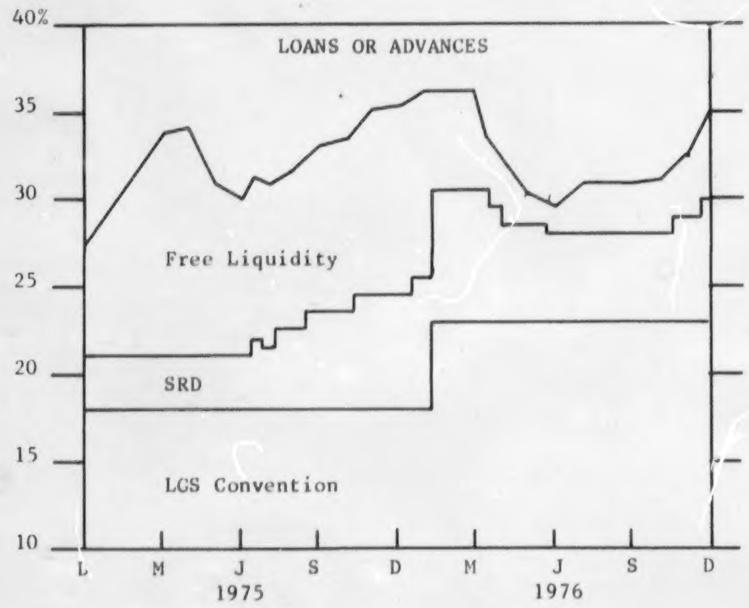
F85

The main function of the Reserve Bank is to

1. regulate Australia's monetary and banking systems.
2. supply loans for home buyers.
3. give financial support to firms needing assistance.
4. provide loans for mineral exploration.

F86

Questions and (F87 and F88) refer to the diagram below.



Source: National Bank Annual Report 1976

In December 1976 the percentage of Trading Bank deposits available for further advances was

1. 5%
2. 27%
3. 35%
4. 65%

F87

The quarter during which lending restrictions imposed by the Reserve Bank were greatest was

1. March 1975.
2. March 1976.
3. June 1975.
4. June 1976.

F88

One method by which the Reserve Bank can reduce bank lending is to

1. decrease SRD ratio.
2. decrease LGS ratio.
3. increase interest rates.
4. increase its purchase of government bonds.

F89

Australia's central bank is known as the

1. Commonwealth Banking Corporation.
2. National Bank of Australasia.
3. Reserve Bank of Australia.
4. Commonwealth Development Bank of Australia.

F90

Savings bank funds are directed toward home loans and

1. personal loans.
2. government securities.
3. industrial securities.
4. company debentures.

F91

Most savings bank loans go to

1. businesses.
2. home finance.
3. public authorities.
4. non-profit organisation.

F92

A firm could borrow money by

1. obtaining a loan from a Savings bank.
2. issuing debentures.
3. reducing dividends to shareholders.
4. the sale of new shares.

F93

Questions to (F94 to F97) are based on the information below.

The $92 million bid by Citicorp Inc. of the United States for the 49 per cent of the shares in DAC (Holdings) not already held, has left a nasty taste in the market's mouth.

With the shares languishing in the market at 65¢ - up 11¢ on the week as a result of the offer - there is no hope that funds needed to keep the company going could be raised on the equity market.

Having seen their shares as high as $2.70 they are now being offered 70¢ for ordinary 50¢ shares.

The trouble is that no-one can come to a conclusion as to what is a fair price for the shares.

The purchase of the final 49% of DAC shares by Citicorp Inc. would be an example of a

1. transfer of assets.
2. takeover.
3. liquidation.
4. merger.

F94

This purchase of DAC shares by Citicorp Inc. would be an example of

1. portfolio investment.
2. direct investment.
3. indirect investment.
4. foreign aid.

F95

After Citicorps offer, DAC shares

1. had a face value of 65¢.
2. returned a dividend of 65¢.
3. were traded for 65¢ on the stock exchange.
4. had a yield of 65¢ on the stock exchange.

F96

Citicorp is offering to buy DAC shares at a cost

1. of 11 cents above the par value.
2. of 11 cents below the par value.
3. below the highest market price.
4. above the highest market price.

F97

Questions to (F98 to F100) are based on the newspaper extract below.

> ### FIELD 'TAKEOVER' STOKES SHARES
>
> Expectations of an impending takeover bid for Sydney meat group T.A. Field sent the company's shares flying on Sydney's Stock Exchange today.
>
> Although there were no early transactions in Field Shares, buyers were bidding 80¢ for the stock - a rise of 14¢ on yesterday's closing price.
>
> Sellers, at the same time, were asking 90¢ for the shares.
>
> "The word" on the trading floor is that the giant food, tobacco and wine group, Amatil is the party holding discussions with Field.
>
> Last night, directors of T.A. Field issued "don't sell" instructions to shareholders after the stock had risen by just 2¢.
>
> The brief statement to Sydney Stock Exchanges said the Board was holding discussions which could lead to a takeover move for the shares.
>
> The Field family is the largest shareholder in the company controlling an estimated 30 per cent of the T.A. Field capital.
>
> Today's support for the shares looked like pushing the stock past its previous best 1977 level of 83 cents.
>
> Amatil, the rumoured bidder, rose 1¢ to $1.81.
>
> *The Sun, Wednesday, June 8, 1977.*

The expected bid by Amatil to purchase T.A. Field shares is an example of

1. a merger.
2. a takeover.
3. specialisation.
4. an amalgamation.

F98

The closing price of T.A. Field shares on 7th June was

1. 13¢
2. 66¢
3. 80¢
4. 90¢

F99

Amatil interests is an example of

1. vertical integration.
2. horizontal integration.
3. diversification.
4. internal expansion.

F100

> Sheik Mohab Ahab made a huge profit from his 60 oil wells in Arabia. He decided to invest some of his money in Australia by buying 5% of the shares in a mining company operating in Western Australia.

This type of investment in the above extract is best described as

1. portfolio.
2. direct.
3. gilt-edged.
4. invisible.

F101

Finance companies mainly lend money for the purchase of

1. capital goods.
2. shares.
3. consumer durables.
4. land.

F102

An example of internal financing by a company is

1. the issue of unsecured notes by a company.
2. obtaining a mortgage on land and buildings.
3. a bill of sale on fixed assets.
4. the use of undistributed profits.

F103

Overseas investment can assist Australia's economic development by

1. increasing our own supplies of capital.
2. replacing Australian personnel with those from overseas.
3. reducing competition between firms.
4. controlling substantial sections of manufacturing industry.

F104

An external source of funds for a business firm would be

1. undistributed profits.
2. a partner putting more funds into the business.
3. a takeover.
4. a bank loan.

F105

The institution which specializes in the problem of a corporation's financing and planning is the

1. Reserve Bank.
2. Trading Banks.
3. Savings Banks.
4. Merchant Banks.

F106

An advantage of leasing is that

1. leased equipment cannot be repossessed.
2. leasing expenses are a tax deduction.
3. leased equipment cannot become obsolete.
4. it always leads to increased profits.

F107

A firm may prefer to lease equipment rather than buy it because leasing preserves working capital by

1. providing a discount on the purchase price of equipment.
2. allowing equipment to be paid off over a long period of time.
3. permitting a firm to rent rather than purchase equipment.
4. sharing the costs of equipment with other firms.

F108

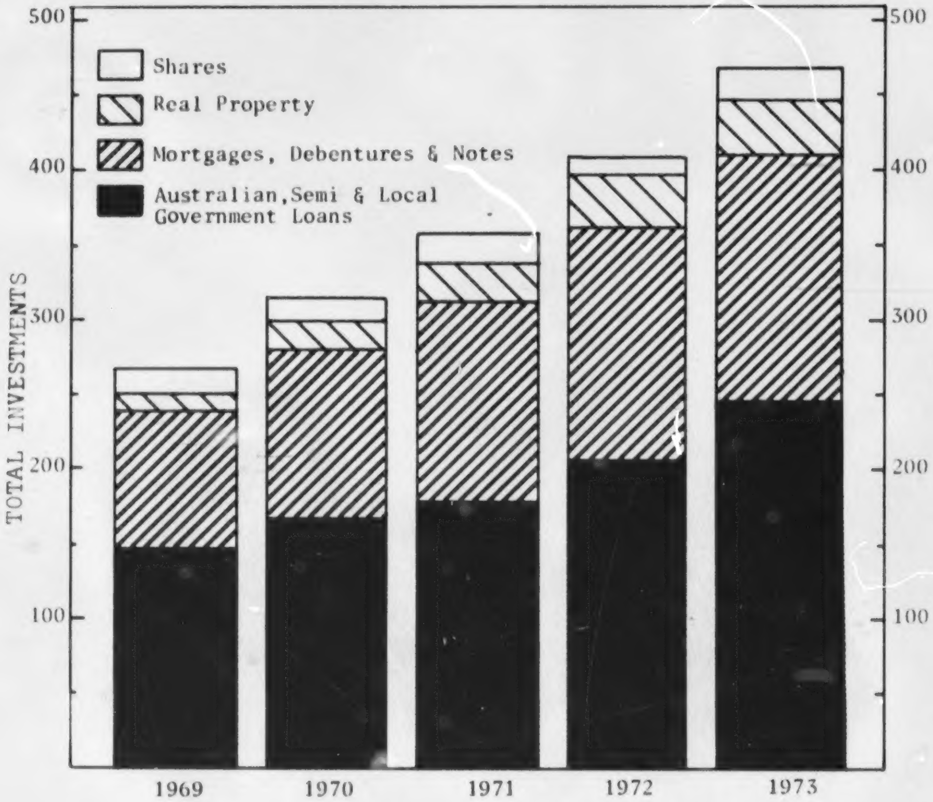
An equity investment is

1. one in which the investor becomes a part owner.
2. always handled by a finance company.
3. preferred by the small investor because of higher interest rates.
4. the purchase of debentures from an investment company.

F109

Questions to (F110 to F113) refer to the graph below.

DISTRIBUTION OF INVESTMENTS $ MILLIONS



The graph indicates that over the time period, the investment showing the least increase was

1. real property.
2. total investments.
3. shares.
4. mortgages, debentures and notes.

F110

The most secure form of investment held by the firm is

1. mortgages, debentures and notes.
2. government bonds.
3. shares.
4. real property.

F111

The investments that can be most readily converted into cash are

1. mortgages.
2. government bonds.
3. debentures.
4. real property.

F112

In the time period, 1969-73, the investment that has shown the greatest proportional increase has been

1. mortgages, debentures and notes.
2. government bonds.
3. shares.
4. real property.

F113

The Australian Government borrows money from overseas on behalf of

1. all private businesses.
2. all levels of government in Australia.
3. finance companies.
4. The Commonwealth Bank.

F114

Portfolio investment from overseas does not contribute directly to Australia's development because

1. it represents a transfer of ownership of existing assets.
2. the interest rate is too high.
3. dividends must be paid to the investors.
4. some of the money is held by the Reserve Bank.

F115

Economic growth is assisted by overseas investment because it encourages

1. capital formation.
2. higher domestic prices.
3. businesses to repay their debts.
4. increases in import prices.

F116

Questions to (F117 to F124) refer to the information below.

Australian Savings Bonds, a development of the old Special Bonds, were introduced by the Fraser Government in January 1976.

The aim is to provide gilt-edged security for household savings and small investors; hence the lower investment limit of $20 and the upper limit of $100 000.

They are available through any bank or stockbroker, and there are no brokerage fees for any transactions associated with these bonds.

Australian Savings Bonds Series-8 (the current series) pay 10 per cent and mature in December 1984. An investment may be redeemed at any time after December 1, 1976 and it will yield 10 per cent.

If redemption is effected prior to December 1977 an interest rate of 7.5 per cent per annum will apply.

So, all in all, they represent a liquid but secure investment over which an investor has the maximum amount of control.

It is not necessary to lodge a redemption notice until one month before your invested funds are required, but if you feel that you may need your invested funds at a particular time, it is just as well to anticipate that need by lodging a redemption notice early.

Australian Savings Bonds have been introduced to replace

1. Conventional Savings.
2. Special Bonds.
3. Commonwealth Treasury Notes.
4. Commonwealth Loans.

F117

The low investment limit on Australian Savings Bonds was designed to

1. provide a gilt-edge security.
2. attract small investors.
3. offer a low rate of interest.
4. attract large investors.

F118

Series 8 Australian Savings Bonds that are redeemed in October 1977 will attract an annual interest rate of

1. 7.5%
2. 10%
3. 10.4%
4. 20%

F119

To redeem Australian Savings Bonds means that you are

1. charged a fee to buy further bonds.
2. unable to buy further bonds.
3. not paid any interest on unmatured bonds.
4. obtaining cash for your bonds before they mature.

F120

Australian Savings Bonds were first introduced in

1. January 1976.
2. May 1976.
3. May 1977.
4. December 1977.

F121

Australian Savings Bonds provide

1. low interest and high liquidity.
2. high interest and an insecure investment.
3. security and minimum control.
4. security and maximum control.

F122

To redeem your Australian Savings Bonds you must give

1. 2 day's notice.
2. 1 month's notice.
3. 7 month's notice.
4. 12 month's notice.

F123

When the Australian Savings Bonds mature an investor receives back

1. his investment plus 6 months interest.
2. his investment only.
3. his interest only.
4. series 9 bonds.

F124

Questions to (F125 to F127) refer to the advertisement below.

Commonwealth Government

Conversion offer...

To holders of
8.2% Treasury Bonds and Inscribed Stock issued in October 1973,
8.5% Treasury Bonds and Inscribed Stock issued in February 1975
WITH MATURITY DATE 15 MAY 1977.

Holders are invited to convert to **new Treasury Bonds or Australian Savings Bonds**—or associated Inscribed Stock on the terms now on offer.

TERMS FOR TREASURY BONDS AND INSCRIBED STOCK

RATE OF INTEREST PER ANNUM	MATURITY	FIRST INTEREST PAYMENT
10.4%	FEB. 1987	15 AUG. 1977
10.2%	FEB. 1982	15 AUG. 1977
9.8%	NOV. 1978	15 NOV. 1977

ALL SECURITIES ISSUED AT PAR

Interest on the new securities will be calculated from 15 May 1977 at the rate appropriate to the security selected.

The minimum amount which may be converted into Treasury Bonds and Inscribed Stock now on offer is $100. There is no limit on holdings.

A higher rate of interest is paid for bonds maturing in 1987 than for bonds maturing in 1978 because

1. investors must wait longer for their first interest payment.
2. a greater risk is being taken.
3. more funds must be invested in the longer period.
4. investors' funds are being held for a longer period.

F125

When 1982 bonds mature, the investor receives

1. interest only.
2. principal plus total interest.
3. principal plus some interest.
4. principal only.

F126

An investor converting from 1973 issued stock to 1977 issued stock gains, because

1. he receives a higher rate of interest.
2. the loan has greater safety.
3. they are offered for a shorter time period.
4. all securities are issued at par.

F127

Questions to (F128 to F132) refer to the information below.

> SIR - I have $6000 lodged with the local bank at interest rates up to 8.75 per cent over 12 months.
>
> I am wondering if I could do better elsewhere, perhaps in shares, although I do not know anything about the share market or about the technicalities of share investing - J.S., Berrima, N.S.W.
>
> REPLY: You have answered your own question about share investing.
>
> A plunge into the share market without adequate knowledge is an almost certain recipe for disaster.
>
> As a country resident, you are further disadvantaged as you have no easy access to the share market and you are cut off from day-to-day information and advice which flows out to the city dweller.
>
> Your choice of a relatively short-term deposit with a bank seems to indicate that high security with some measure of liquidity is your main investment criterion. If that is a correct assumption, your best bet is, without a doubt, the Australian Savings Bond issued by the Commonwealth Government.
>
> The ASB pays 10 per cent, and your investment can be redeemed at par on one month's notice. Minimum investment is $20 - maximum $100 000.
>
> If ASB is too rigid for you, take a look at the permanent building societies.
>
> They pay a base 9 per cent, but the interest compounds after six months. In other words, you get interest on your interest if you let the money lie for a reasonable time.
>
> Further, you can use the building society like a savings bank and you will have immediate access to your money.
>
> If there is not a branch office in your town, you will probably find that the local stock and station agent is also an approved agent for one of the societies.

The minimum investment in Australian Savings Bonds that can be made is

1. $10.
2. $20.
3. $6 000.
4. $100 000.

F128

Australian Savings Bonds may be cashed

1. at call.
2. at one month's notice.
3. after 6 months.
4. after 12 months.

F129

If J.S. invests $3000 in Australian Savings Bonds for 12 months the amount of interest he will earn is

1. $262.50
2. $270.00
3. $300.00
4. $600.00

F130

If J.S. wants his money at call the article advises him to invest in

1. shares.
2. a building society.
3. Australian Savings Bonds.
4. fixed term deposits.

F131

The interest paid on Australian Savings Bonds is

1. reducible.
2. increasing.
3. maturing.
4. fixed.

F132

Questions to (F133 to F136) refer to the information below.

A.N.Z. BANK

FINANCE $A MILLION	YEAR ENDED JUNE 1966	1976
Savings Banks Deposits.	5254	14828
Trading Bank Deposits	5308	16950
Finance Company Loans (total amount financed during year)	1917	7619
Australian Government Securities on issue at end of June	10639	20338
Australian Government Revenue	5129	18273
Australian Government Expenditure	5380	21859

From "Australia in Figures"

The item showing greatest relative growth from 1966 - 1976 was

1. Savings Banks Deposits.
2. Trading Banks Deposits.
3. Finance Company Loans.
4. Australian Government Securities.

F133

The item showing greatest dollar growth from 1966 - 1976 was

1. Savings Banks Deposits.
2. Trading Banks Deposits.
3. Australian Government Securities.
4. Australian Government Expenditure.

F134

In both 1966 and 1976 the Australian Government Budget was in

1. deficit.
2. surplus.
3. balance.
4. equilibrium.

F135

(145)

The sale of a Treasury Bond by the Reserve Bank would have been shown as an increase in

1. Savings Banks Deposits.
2. Trading Banks Deposits.
3. Australian Government Securities.
4. Australian Government Expenditure.

F136

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D. West, Government Printer, New South Wales – 1979